

consideration of their resolution with reference to the United States Housing Authority; to the Committee on Banking and Currency.

## SENATE

FRIDAY, MARCH 22, 1940

(Legislative day of Monday, March 4, 1940)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

Rev. James Shera Montgomery, D. D., Chaplain of the House of Representatives, offered the following prayer:

O Thou who hast borne our griefs and carried our sorrows, Thou who wast wounded for our transgressions and bruised for our iniquities, consider and hear us. Allow not the clouds and the darkness to be around about Thy throne. We bow and bend at the altar of prayer, mercy, and supplication. We unveil the cross and behold infinite love struggling for infinite expression.

God so loved the world, that He gave His only begotten Son, that whosoever believeth on Him should not perish but have everlasting life.

Not unto us, O Lord, but unto Thy holy name be glory and honor, both now and ever. We pray that Thy holy truth may become coextensive with the being of man throughout the wide earth. O, may the throngs touch the hem of Thy garment, that the pangs of hate and paralyzing fear may no longer stain the hearts of men.

We tarry a moment as we vision the rugged brow of Calvary clothed in darkness and blackness because of human weakness and sin. God help us to glimpse and to vision at its foot the glory, the promise, the faith, and the hope of a new coming day. In Thy holy name. Amen.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Thursday, March 21, 1940, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. MINTON. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Downey	La Follette	Reynolds
Ashurst	Ellender	Lee	Russell
Austin	Frazier	Lodge	Schwartz
Bailey	George	Lucas	Schwellenbach
Bankhead	Gerry	Lundeen	Sheppard
Barkley	Gibson	McCarran	Shipstead
Bilbo	Gillette	McKellar	Slattery
Bone	Green	McNary	Smathers
Bridges	Guffey	Maloney	Stewart
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Neely	Townsend
Caraway	Herring	Norris	Tydings
Chandler	Hill	Nye	Vandenberg
Chavez	Holman	O'Mahoney	Van Nuys
Clark, Idaho	Holt	Overton	Wagner
Clark, Mo.	Hughes	Pepper	Walsh
Connally	Johnson, Calif.	Pittman	Wheeler
Danaher	Johnson, Colo.	Radcliffe	White
Donahey	King	Reed	Wiley

Mr. MINTON. The Senator from Virginia [Mr. GLASS] is absent because of illness in his family.

The Senator from Florida [Mr. ANDREWS], the Senator from Nebraska [Mr. BURKE], and the Senator from Missouri [Mr. TRUMAN] are detained on important public business.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

The VICE PRESIDENT. Eighty-eight Senators have answered to their names. A quorum is present.

### MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

### RELIEF OF CERTAIN DISBURSING AGENTS

The VICE PRESIDENT laid before the Senate a letter from the Acting Secretary of the Interior, transmitting a draft of proposed legislation for the relief of certain disbursing agents and certifying officers of the Indian Service, the United States Veterans' Administration, and the Treasury Department, which, with the accompanying paper, was referred to the Committee on Claims.

### PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the Council of the City of Cambridge, Mass., favoring increased appropriations for the W. P. A. so as to maintain present quotas and avoid lay-offs, which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution adopted by Local No. 65 (C. I. O.), United Wholesale and Warehouse Employees, of New York, N. Y., protesting against involvement of the United States in war, and opposing all loans to belligerent countries, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a telegram in the nature of a memorial from Local No. 65 (C. I. O.), United Wholesale and Warehouse Employees, of New York, N. Y., remonstrating against the enactment of legislation to establish a merit-rating plan for unemployment insurance benefits, which was referred to the Committee on Finance.

Mr. WALSH presented a resolution of the Council of the City of Quincy, Mass., favoring additional appropriations for the W. P. A. in the State of Massachusetts, which was referred to the Committee on Appropriations.

Mr. WILEY presented resolutions adopted by the Polish-American Citizens Club, of Milwaukee, Wis., favoring appropriations for Polish relief and the rendering of aid to the people of Poland, and the exiles therefrom, suffering as a result of the twofold invasion of that country, which was referred to the Committee on Foreign Relations.

Mr. BARKLEY presented the following resolution of the General Assembly of the State of Kentucky, which was referred to the Committee on Immigration:

### House Resolution 125

Concurrent resolution requesting the Government of the United States to cause the deportation of undesirable aliens carrying on un-American and subversive activities

Whereas the American Government has proved to be the best ever conceived by man, being capable of amendment and adaptation to meet every human need and condition; and

Whereas the citizens of this Nation are capable of making such changes, adjustments, and adaptations as they may desire and as may be needed, without suggestions, advice, or attempted compulsion of aliens or agents of any foreign government; and

Whereas there are in this country many persons engaged in un-American, subversive, and destructive activities seeking to change our form of government and to undermine the very foundations of our liberties, peace, happiness, and well-being, and much of this un-American and destructive activity was and is being initiated, carried on, and financed by aliens who enjoy the protection of the American flag and the blessing of our free institutions; and

Whereas in these days of wars, international chaos, domestic agitation, and uncertainty it behooves the American people to zealously guard and protect the institutions that have made this the greatest nation in the history of mankind; and

Whereas these problems are of vital concern to the cities of Kentucky as they are to all other American citizens: Now, therefore, be it

Resolved by the General Assembly of the Commonwealth of Kentucky:

1. That we respectfully and urgently request our National Government to use all available means to speedily deport all aliens who are engaged in un-American and subversive activities and who may be advocating or seeking to change, modify, or overthrow our form of government and institutions by force or otherwise, or who are members of or affiliated in any way with any organization engaged in such activities, or that is supported and financed in whole or in part by aliens or by any foreign government.

2. If existing laws do not confer sufficient authority for the deportation of the aliens referred to in this resolution, we respectfully request the National Congress to speedily enact necessary legislation.

3. A copy of this resolution shall be sent by the secretary of state to the President of the United States, to the clerk of the United States Senate, to the Clerk of the United States House of Representatives, to the Secretary of Labor, and to the Kentucky representatives in the United States Senate and the United States House of Representatives.

I, George Glenn Hatcher, secretary of state of the Commonwealth of Kentucky, do hereby certify that the above and foregoing copy of House Resolution No. 125 is a true and correct copy of said resolution.

In witness whereof I have hereunto set my hand and affixed my official seal.

Done at Frankfort, Ky., this 18th day of March 1940.

[SEAL]

GEORGE GLENN HATCHER,

Secretary of State, Commonwealth of Kentucky.

Mr. BARKLEY also presented the following resolutions of the General Assembly of the State of Kentucky, which were referred to the Committee on Commerce:

#### House Resolution 106

A resolution memorializing the Congress of the United States of America to take such steps as are necessary to cause the East Fork of Clarks River to be drained as a health project from the north line of Calloway County to Bryants Ford on said river near the northeast and southeast corners of Graves and McCracken Counties

Whereas by reason of erosion upon a scale that cannot be controlled by private enterprise the channel of the East Fork of Clarks River has been filled from the north boundary of Calloway County to Bryants Ford on said river, thereby creating a slash or pond about 20 miles long that stands practically all the year, which has become a breeding place for multiplied millions of mosquitoes that spread malaria fever over a large portion of Marshall, a part of Calloway, Graves, and McCracken Counties; and

Whereas the cost of draining said territory, if done under any of the drainage acts of Kentucky, would amount to confiscation of all the land that would be affected as a drainage project under the drainage laws of Kentucky, and cannot so be done; and

Whereas the existence of said slash or pond constitutes a menace to all the people living in the surrounding territory that can be reached by the flight of mosquitoes or to which they can be brought by wind: Therefore be it

*Resolved by the General Assembly of the Commonwealth of Kentucky:*

SECTION 1. That the Congress of the United States of America be petitioned to take such steps as are necessary to cause the East Fork of Clarks River to be drained from the north boundary line of Calloway County to Bryants Ford on said river as a necessary health project.

SEC. 2. That each United States Senator and Representative in the Kentucky delegation be urged to use his personal efforts to secure the action herein contemplated.

SEC. 3. That the secretary of state be directed to certify a copy of this resolution to each member of the Kentucky delegation in the Congress of the United States.

I, George Glenn Hatcher, secretary of state of the Commonwealth of Kentucky, do hereby certify that the above and foregoing copy of House Resolution No. 106 is a true and correct copy as it appears on the records of this office.

In witness whereof I have hereunto set my hand and affixed the official seal of this office.

Done at Frankfort, Ky., this 18th day of March 1940.

[SEAL]

GEORGE GLENN HATCHER,

Secretary of State, Commonwealth of Kentucky.

#### House Resolution 122

Concurrent resolution memorializing the Congress of the United States to have a survey made of the Rough River Basin and a drainage and reclamation project set up and prosecuted in that river basin

Whereas by erosion and from other causes Rough River and its many tributaries have so filled that the channel no longer affords sufficient drainage, and as a result thousands of acres of good farm lands are being flooded each year and the crops destroyed; and

Whereas this situation exists in the entire Rough River Basin, which includes many thousands of acres of rich farm lands and vitally affects the health, prosperity, and happiness of hundreds of farm families and others; and

Whereas this overflow carries much poor subsoil from the surrounding hill country, depositing same on level bottom land, and is gradually destroying the fertility of much of said land; and

Whereas there is no apparent remedy for this situation except a thorough dredging and straightening of Rough River and its tributaries; and

Whereas the cost of such a drainage and reclamation project would be far beyond the ability and resources of the landowners and counties involved: Now, therefore, be it

*Resolved by the General Assembly of the Commonwealth of Kentucky:*

1. That the Congress of the United States is hereby memorialized to take the necessary steps to have a complete survey made of the entire Rough River Basin and to set up and prosecute to completion a drainage and reclamation project that would give the needed relief.

2. That each of Kentucky's Senators and Representatives in the United States Congress are requested and urged to personally look into this situation and do everything possible to secure the result requested.

3. That the secretary of state is hereby directed to mail a certified copy of this resolution to each Member of the Kentucky delegation in the United States Congress and to the Clerk of each House.

I, George Glenn Hatcher, secretary of state of the Commonwealth of Kentucky, do hereby certify that the above and foregoing copy of House Resolution No. 122 is a true and correct copy of said resolution as it appears on the records of this office.

In witness whereof I have hereunto set my hand and affixed my official seal.

Done at Frankfort, Ky., this 18th day of March 1940.

[SEAL]

GEORGE GLENN HATCHER,

Secretary of State, Commonwealth of Kentucky.

#### APPROPRIATION FOR BOOKS FOR THE ADULT BLIND

Mr. WAGNER. Mr. President, on yesterday I introduced a bill—S. 3645—to amend the act entitled "An act to provide books for the adult blind," approved March 3, 1931, under the provisions of which the annual appropriation for the purchase of sound-reproduction records known as talking books is authorized to be increased by \$75,000.

I ask unanimous consent to have printed in the RECORD and referred to the Committee on the Library a resolution adopted by the executive committee of the American Foundation for the Blind, and a statement by Robert B. Irwin, executive director, regarding the need for such legislation.

There being no objection, the matter was referred to the Committee on the Library and ordered to be printed in the RECORD, as follows:

#### AMERICAN FOUNDATION FOR THE BLIND, INC.,

New York, N. Y., March 19, 1940.

HON. ROBERT F. WAGNER,

Senate Office Building, Washington, D. C.

DEAR SENATOR WAGNER: As you know, the majority of blind people, because of a dull sense of touch or for some other cause, cannot read with their fingers. For this reason the American Foundation for the Blind developed a method of producing books on long-playing phonograph records. Thanks to the cooperation of yourself and others, Congress now makes an annual appropriation of \$175,000 for the production of these so-called talking books for the blind. These are circulated by the Library of Congress to the blind people of the country just as Braille books are circulated.

There are now about 400 talking-book titles available in the libraries for the blind. The number is increasing at the rate of from 60 to 80 titles per year. The reading tastes of blind people are as varied as those of seeing persons and few care to read all the books in any library. While the blind people are grateful for the talking-book libraries, they are constantly clamoring for a more rapid increase in the collection of titles. At the present rate many years will elapse before a library of even modest proportions can be accumulated.

I am writing to ask if you will not sponsor a bill authorizing an increase in the talking-book appropriation from \$175,000 to \$250,000 per annum. Attached is a copy of a proposed bill which has been endorsed by the American Foundation for the Blind, and to which we sincerely hope you will find it possible to give your powerful support.

Very sincerely yours,

R. B. IRWIN, Executive Director.

P. S.: I am attaching a more extended statement regarding the need for such legislation.

R. B. I.

Resolution adopted by the executive committee of the American Foundation for the Blind, March 19, 1940

Whereas because of a dull sense of touch and for other reasons less than one-fourth of the blind people in the United States can make use of books in raised type; and

Whereas the majority of blind readers depend upon books on sound-reproduction records for their reading matter; and

Whereas a generation will pass before the present annual appropriation will make available even a modest library of sound-reproduction records for the blind: Be it

*Resolved*, That the executive committee approve action by Congress increasing the annual appropriation to the Library of Congress for sound-reproduction records from \$175,000 to \$250,000.

#### INCREASE IN TALKING-BOOK APPROPRIATION DESIRABLE

About 12 years ago the American Foundation for the Blind made a study of the library service for the blind in this country. This study disclosed that library service for blind people was woefully inadequate, and that not more than 10 percent of the blind people of this country were making any use of such library service as existed. Since the number of blind people is so small in any one community, even in the large cities, it was decided that 15 or 20 libraries could adequately serve the entire United States. This meant that most libraries for the blind must serve a territory larger than the taxing unit supporting such library.

A plan was evolved, therefore, by which the Federal Government would supply Braille books to regional libraries through the Library of Congress, and in return the regional libraries—usually branches of city public libraries—would serve a considerable territory, often including several States. The original law authorized an appropriation of \$100,000 annually for embossed books, making possible the publication of about 200 titles each year.



In order to reach the large number of blind people who, because of a dull sense of touch or for some other reason, cannot learn to read with their fingers, the foundation set up a studio in which it developed a method of economically recording books on phonograph records. In 1933 Congress, at the request of the American Foundation for the Blind, authorized an annual appropriation to the Library of Congress with which to establish libraries of sound-reproduction records known as talking books. This appropriation is now \$175,000 annually. The foundation made its studio available to the Library of Congress on a nonprofit basis in order that the appropriation would procure a maximum number of titles with the funds appropriated.

Since that time about 400 talking-book titles—all kinds, large and small—have been added to the libraries. With the present appropriation about 60 to 80 titles can be published each year. As the reading tastes of blind people are as broad as those of the seeing, few, if any, blind people will care to read all the books in the library. At the present rate of production the number of titles in another 10 years will not exceed more than 1,000 or 1,200. A generation will pass before talking-book readers may hope for a library of even modest proportions.

Sightless people throughout the country are clamoring for a substantial increase in the talking-book appropriation for at least the next few years. The two national organizations of professional workers for the blind, the American Association of Workers for the Blind and the American Association of Instructors of the Blind, are urging that the annual appropriation for talking books for the blind be increased from \$175,000 to \$250,000.

The American Foundation for the Blind heartily endorses this proposal, and respectfully urges that the present law be amended authorizing such an increased appropriation by the present session of Congress.

#### REPORTS OF COMMITTEES

Mr. CLARK of Missouri, from the Committee on Inter-oceanic Canals, to which was recommitted the bill (H. R. 5584) to amend the Canal Zone Code, reported it with an amendment and submitted a report (No. 1336) thereon.

Mr. HILL, from the Committee on Commerce, to which was referred the bill (S. 3552) to authorize the construction of works for flood control and other purposes on Autauga Creek at Prattville, Ala., reported it without amendment and submitted a report (No. 1337) thereon.

Mr. VAN NUYS, from the Committee on Expenditures in the Executive Departments, to which was referred the bill (H. R. 8150) providing for the barring of claims against the United States, reported it without amendment and submitted a report (No. 1338) thereon.

#### ENROLLED BILLS PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that on March 21, 1940, that committee presented to the President of the United States the following enrolled bills:

S. 1398. An act to amend the act entitled "An act to punish acts of interference with the foreign relations, the neutrality, and the foreign commerce of the United States, to punish espionage, and better to enforce the criminal laws of the United States, and for other purposes," approved June 15, 1917, as amended, to increase the penalties for peacetime violations of such act; and

S. 1750. An act authorizing the Secretary of War to convey to the town of Marmet, W. Va., two tracts of land to be used for municipal purposes.

#### EXECUTIVE REPORTS OF A COMMITTEE

As in executive session,

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters.

#### BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BAILEY:

S. 3649. A bill for the relief of Harry D. Gann; to the Committee on Claims.

By Mr. SCHWELLENBACH:

S. 3650. A bill to require the payment of prevailing rates of wages on Federal public works in Alaska and Hawaii; to the Committee on Education and Labor.

By Mr. AUSTIN (for Mr. BARBOUR):

S. 3651. A bill to enable the Secretary of Agriculture to furnish additional statistical information and marketing

service for the benefit of the poultry industry, and for other purposes; to the Committee on Agriculture and Forestry.

By Mr. SHEPPARD:

S. 3652. A bill for the relief of Richard L. Byrd; to the Committee on the Judiciary.

S. 3653. A bill for the relief of Algy Fred Giles; and

S. 3654. A bill to amend section 10, National Defense Act, as amended, with relation to the maximum authorized enlisted strength of the Medical Department of the Regular Army; to the Committee on Military Affairs.

S. 3655. A bill relating to personal-injury suits by seamen, and to amend the act of March 4, 1915 (ch. 153, S. 136, 38 Stat. 1185; act of June 5, 1920, ch. 250, art. 33, 41 Stat. 1007); to the Committee on Commerce.

By Mr. PEPPER:

S. 3656. A bill to prohibit common carriers and other carriers from owning or acquiring any interest in a newspaper published in the United States; to the Committee on the Judiciary.

#### CHANGE OF REFERENCE

On motion by Mr. MEAD, the Committee on Banking and currency was discharged from the further consideration of the bill (S. 3269) to authorize loans to public bodies and nonprofit organizations for hospital, water, sewer, stream-pollution control, and related projects and facilities, and making an appropriation therefor, and it was referred to the Committee on Education and Labor.

#### EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT—AMENDMENT

Mr. GURNEY submitted an amendment intended to be proposed by him to the joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, which was ordered to lie on the table and to be printed.

#### AMENDMENT TO INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. CLARK of Idaho submitted an amendment intended to be proposed by him to House bill 8745, the Interior Department appropriation bill, 1941, which was referred to the Committee on Appropriations and ordered to be printed, as follows:

On page 6, line 18, after "1941", insert the following clause:

"For the detection, prevention, and suppression of fires on lands within grazing districts, including the maintenance of patrols, the employment of field personnel, and purchase of necessary equipment, \$130,000."

#### ADDITIONAL COPIES OF HEARINGS ON SILVER

Mr. PITTMAN submitted the following concurrent resolution (S. Con. Res. 41), which was referred to the Committee on Printing:

*Resolved by the Senate (the House of Representatives concurring).* That, in accordance with paragraph 3 of section 2, of the Printing Act approved March 1, 1907, the Special Committee on the Investigation of Silver, United States Senate, be, and is hereby, authorized and empowered to have printed in one volume for its use 1,500 additional copies of the hearings held before said committee pursuant to the resolution (S. Res. No. 187, 74th Cong., 1st sess.) authorizing a special committee of the Senate to investigate the administration, and the economic and commercial effect, of the Silver Purchase Act of 1934.

#### OTTER CREEK AT RUTLAND, VT. (S. DOC. NO. 171)

Mr. BAILEY presented a letter from the Secretary of War, transmitting a report dated February 27, 1940, from the Chief of Engineers of the Army on the reexamination of Otter Creek at Rutland, Vt., which, with the accompanying report, was referred to the Committee on Commerce and ordered to be printed, with illustrations.

#### NORTHEAST (CAPE FEAR) RIVER, N. C. (S. DOC. NO. 170)

Mr. BAILEY presented a letter from the Secretary of War, transmitting a report dated February 27, 1940, from the Chief of Engineers of the Army on the reexamination of Northeast (Cape Fear) River, N. C., which, with the accompanying report, was referred to the Committee on Commerce and ordered to be printed, with illustrations.

#### ADDRESS BY SENATOR O'MAHONEY ON THE PRESERVATION OF FREE PRIVATE ENTERPRISE

[Mr. O'MAHONEY asked and obtained leave to have printed in the RECORD an address on the subject of the preservation

of free private enterprise, delivered by him before the New York Board of Trade at the Waldorf-Astoria Hotel, New York City, December 13, 1939, which appears in the Appendix.]

ADDRESS BY SENATOR CAPPER ON THE GOVERNMENT'S OBLIGATION TO THE FARMER

[Mr. CAPPER asked and obtained leave to have printed in the RECORD a radio address delivered by him on March 19, 1940, on the subject of the Government's obligation to the farmer, which appears in the Appendix.]

CENSUS, 1940

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD a letter dated March 19, 1940, from William L. Austin, Director of the Census, to Senator TOBEY, on the subject of the census of 1940, which appears in the Appendix.]

ADDRESS BY MR. JUSTICE MURPHY AT ONE HUNDRED AND FOURTH ANNIVERSARY OF FOUNDING OF NEW YORK UNIVERSITY LAW SCHOOL

[Mr. MURRAY asked and obtained leave to have printed in the RECORD an address delivered by Hon. Frank Murphy, Associate Justice of the Supreme Court of the United States, at a dinner on March 3, 1940, celebrating the one hundred and fourth anniversary of the founding of New York University Law School, which appears in the Appendix.]

STATEMENT BY GOVERNOR MOORE, OF NEW JERSEY, ON EQUAL RIGHTS AMENDMENT

[Mr. SMATHERS asked and obtained leave to have printed in the RECORD a statement by Hon. A. Harry Moore, Governor of New Jersey, on the subject of the equal rights amendment, which appears in the Appendix.]

FARM PRICES—LETTER FROM SECRETARY OF AGRICULTURE WALLACE TO SENATOR SCHWELLENBACH

[Mr. SCHWELLENBACH asked and obtained leave to have printed in the RECORD a letter on the subject of farm prices written by him to the Secretary of Agriculture, and the reply of the Secretary of Agriculture under date of March 21, 1940, which appear in the Appendix.]

LETTER FROM ADMINISTRATOR OF FARM SECURITY ADMINISTRATION RELATIVE TO LOANS IN WISCONSIN

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD a letter from Will Alexander, Administrator of the Farm Security Administration, relative to loans by the Farm Security Administration in Wisconsin, which appears in the Appendix.]

LETTER FROM WILLIAM GREEN ON MERIT RATING SYSTEM

[Mr. WAGNER asked and obtained leave to have printed in the RECORD a letter from William Green, published in the New York Times of today, on the subject of the merit rating system, which appears in the Appendix.]

LETTER FROM ARTHUR CHARLES JACKSON, PRESIDENT OF THE FRANCES WILLARD CENTENNIAL TOTAL ABSTINENCE SOCIETY

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD a letter addressed to him by Arthur Charles Jackson, president of the Frances Willard Centennial Total Abstinence Society, which appears in the Appendix.]

COSTS OF WAR—ARTICLE FROM THE SUNDAY OREGONIAN

[Mr. McNARY asked and obtained leave to have printed in the RECORD an article from the Sunday Oregonian, dated March 17, 1940, entitled "Unbearable Costs," which appears in the Appendix.]

PURCHASE OF FOREIGN SILVER—ARTICLE FROM THE WASHINGTON POST

[Mr. McNARY asked and obtained leave to have printed in the RECORD an article from the Washington Post of March 22, 1940, entitled "Mexico Won't Like It," which appears in the Appendix.]

EDITORIAL FROM SIOUX FALLS DAILY ARGUS-LEADER ON TEACHING OF SOUTH DAKOTA HISTORY

[Mr. GURNEY asked and obtained leave to have printed in the RECORD an editorial from the Daily Argus-Leader of Sioux Falls, S. Dak., of March 19, 1940, entitled "As South Dakota History Is Being Taught," which appears in the Appendix.]

SLANDERING KENTUCKY—EDITORIAL FROM JACKSON DAILY NEWS

[Mr. CHANDLER asked and obtained leave to have printed in the RECORD an editorial from the Jackson (Miss.) Daily News of March 20, 1940, entitled "Slandering Kentucky," which appears in the Appendix.]

FOREIGN SILVER PURCHASES

[Mr. BYRD asked and obtained leave to have printed in the RECORD an editorial from the Washington Daily News of March 21, 1940, entitled "Silver Takes a Licking," which appears in the Appendix.]

EDITORIAL FROM WHEELING INTELLIGENCER ENTITLED "SHALL THIS AMERICA PASS?"

[Mr. TOWNSEND asked and obtained leave to have printed in the RECORD an editorial from the Wheeling Intelligencer of March 14, 1940, entitled "Shall This America Pass?" which appears in the Appendix.]

AGRICULTURAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

Mr. ELLENDER. Mr. President, just before the Senate recessed yesterday, I moved to suspend paragraph 4 of rule XVI of the Senate, so that I might offer an amendment to the pending measure.

It is not my purpose to speak at any length with regard to the amendment, because I think it is very simple and has much merit. As a matter of fact, even though I should remain in the Senate for the balance of my natural life, I never expect to present to this body a proposal which has more merit, more equity, and more justice than the amendment I propose to offer to this bill.

As the Senate is aware, the sugar producers of our Nation are now operating under the so-called Sugar Act of 1937. Section 509 of that act provides that in case of emergency the President has a right to suspend certain sections of the act, particularly sections 2 and 3, which give to the Secretary of Agriculture the right to fix the quota of sugar to be produced and marketed in the United States.

Pursuant to section 509, the President, on September 11 of last year, suspended the quota provisions of the act. The suspension occurred just about a week before the Louisiana sugar planters and farmers began the planting of their sugarcane crops for 1940.

As Senators may know, when sugarcane is planted in Florida and in Louisiana, the cane itself is planted—that is, the growing stalk—and from that planting are harvested three or four successive crops of sugarcane. It is unlike the planting of beets, where the seed is planted and new seed must be planted each year.

When the President issued the proclamation suspending the quota provisions of the act under date of September 11, the Agriculture Department notified every sugar farmer in my State and in Florida that the sugar quotas were no longer in effect; that there was no prospect of having any quota for 1940; and, as a matter of fact, it was the consensus of opinion at the time that because of the war the sugar quotas would not be restored.

I desire now to quote from several telegrams that were sent by the Department of Agriculture to the farmers of my State and Florida advising them of the suspension of the quotas. One in particular from Dr. Bernhardt, head of the Sugar Division, under date of September 23, 1939, stated:

Producers desiring to change from paragraph (a) of the 1939 proportionate share determination to some other option may do so, provided compliance with that option can be established beyond a reasonable doubt.

The effect of that telegram was to permit the production of more sugar, because under the sugar program from 1939 a farmer has one of two options to exercise in complying with the 1939 quota provision: He could take a direct cut of 25 percent on his 1939 acreage, and a like cut in 1940, or he could harvest all of his 1939 crop of cane and defer his entire cut until 1940. I repeat, the purpose of the telegram that I



have just read was simply to give to the farmers of Louisiana and Florida the right to harvest and process into sugar all of the cane planted in 1939 and to take their cut, if any, in 1940. Why? Because of the war. Prices were going up. Sugar farmers were being encouraged to produce more sugar.

The next telegram, sent by Dr. Bernhardt, was under date of October 2, 1939, and in that telegram, among other things, he stated:

In view of the suspension of quotas, no program of payments under the provisions of title III of the Sugar Act is in effect or contemplated at this time for the 1940 crop in any producing area.

This telegram was sent to all sugar planters. County agents throughout the State further told the farmers that since there was no quota, and none was contemplated for 1940, and since it was evident that the war would continue, they could safely plant sugarcane in excess of their proportionate shares. Pursuant to that advice emanating from an official source, the farmers of my State did plant excess acreage, and I submit that they had a perfect right to do so, because the quotas were not then in effect, and according to officials of the Department of Agriculture none were contemplated for 1940.

Under date of December 26 of last year, the quota system, as we know, was restored in this country, with the result that it was necessary for the Department of Agriculture to again put into effect quota regulations which had been issued prior to the date when the President suspended the quotas. This is what is going to happen as a consequence. Sugarcane farmers of my State who planted sugarcane in excess of their proportionate share, at a time when they had been advised they had the right to do so—at a time when they thought that if the war continued the quotas would not be restored—those farmers who planted in good faith will be forced to plow up every acre of that cane which is in excess of their proportionate shares unless my amendment is adopted. As I will show, my amendment does not provide for any increased expenditure; it does not increase the appropriation one copper cent; on the contrary, as I will point out to the Senate, it will reduce it.

In the proclamation issued by the President on September 11 he said, among other things:

It should also be noted that domestic sugar producers will continue to receive payments under the 1939 conditional payment program now in effect. Producers will, of course, understand that under provisions of the Sugar Act it should not be assumed that payments can be made with respect to future crops so long as quotas may be continued in suspension. Nor should anyone assume that increased acreage planted under the stimulus of war conditions can be made permanent for purposes of determining future allotments.

In other words, when the President suspended the quota he anticipated that, because the war was on, the American sugar farmers would naturally increase their plantings. He so said, as above indicated in the statement released by him on the day upon which he issued his proclamation.

When the quota was restored my people, of course, were very much distressed. They called on me and on my colleague, the senior Senator from Louisiana [Mr. OVERTON], and every Congressman from the State, to relieve their situation. I took the matter up with the Department, and the Department stated to me that the only way by which it could be empowered to afford relief to the Louisiana and Florida sugar planters was through the adoption by Congress of a resolution authorizing such relief. Therefore when I returned to the Senate on January 4 of this year I introduced Senate Resolution 190. The purpose of the resolution was to provide that the sugar farmers of my State would receive benefit payments on all cane then growing and which was planted prior to January 1, 1940. I felt at the time, and I feel now, that since the sugarcane was planted in good faith, and at a time when there were no quotas in effect and none contemplated, we should be paid on the entire amount of cane planted even though it might be in excess of the proportionate shares.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. Will not the Senator from Louisiana tell the Senate what disposition was made of the resolution he offered, to which he has just referred?

Mr. ELLENDER. I am coming to that. With the Senate's permission and kind indulgence, I expect to indicate every step taken by me, in order to place the facts of this matter fairly and squarely before the Senate.

The Department refused to give an O. K., as it were, to the resolution, contending—and there is merit to the contention—that a good many sugar planters in Florida and a good many in Louisiana had taken a 25-percent cut in 1939, and some had deferred the cut to 1940, and that therefore it would be unjust to treat both groups of planters alike; and I agree with that. The Department countered by saying, in effect:

We are anxious to prevent a plow-up campaign. We are willing to help, but in justice to those farmers who took their cut in 1939 we propose to limit the benefit payments to sugarcane produced from the proportionate-share acreage established for 1940, and penalize excess planting according to a certain schedule—

Which schedule I shall submit to the Senate in a few moments.

After I received an unfavorable report on the resolution to which I have just referred, I offered Senate Resolution 225, and in that resolution it was provided that benefit payments be made on all of the sugarcane produced on the 1940 proportionate-share acreage; and further, that sugarcane farmers be permitted to market and reduce to sugar all cane produced on the excess acreage, but without benefit payments on such excess cane. It was when I presented that latter proposal to the Department that the Department countered with certain penalty provisions, portions of which are incorporated in the amendment that I hope to present to the Senate.

At first the Department suggested a penalty along this line, that an allowance be made of 10 percent of each farmer's proportionate share; that is, that there be no penalty on 110 percent of the proportionate-share acreage harvested, but on any acreage in excess of 110 percent of the proportionate share there be imposed a penalty of \$20 an acre. I took the matter up with the Department, and pointed out that such a penalty provision would result in many farmers, and particularly small farmers, owing the Government. So we discussed the matter further, and before I was able to obtain a compromise agreement from the Department, I offered the amendment which forms the basis of my motion to suspend the rules.

It will be noted in the amendment that on the first 25 acres above the proportionate share there would be no penalty. On the next 100 acres above the proportionate share there would be a penalty of \$5 per acre.

On the next 500 acres there would be a penalty of \$10; on the next 500 acres a penalty of \$15; and on anything above the aggregate acreage I have just mentioned, which is 1,125 acres, a penalty of \$20 an acre.

After I introduced the amendment, I sent it over to the Department and the Department officials felt that if the amendment remained as I have offered it, it would tend to complicate matters from an administrative standpoint, and they preferred to go back to the 10-percent allowance which they first suggested. So, after a further discussion with the Department officials, it was finally agreed to approve an amendment to permit all cane planted prior to January 1, 1940, to be ground into sugar, and that each farmer would receive benefit payments only on cane harvested from his proportionate share acreage for 1940. And as to the excess acreage there would be an allowance free from any penalty of 10 percent on the proportionate acreage or a minimum of 25 acres. In other words, it was contemplated that a minimum of 25 acres in any event would be allowed to a farmer without the imposition of a penalty, and on the first 500 acres in excess of the 10 percent there would be a penalty of \$10 per acre, and on all acreage in excess of that, the penalty would be \$20. That is how I expect to modify the amendment which is now pending if the rule is suspended. And at this point,

I will read to the Senate the text of the modified amendment, which I will ask the Senate to adopt:

On page 82, line 14, before the period, insert a colon and the following: "Provided further, That no payment under the Sugar Act of 1937 with respect to the 1940 crop shall be withheld from any producer in the mainland cane-sugar area, because of the marketing (or processing) of sugarcane in excess of the proportionate share for the farm, if the acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 is not in excess of the acreage of sugarcane for sugar planted prior to January 1, 1940, but payments shall be made only with respect to the proportionate share acreage established for the farm under the provisions of such act, and the following deductions shall be made from such payments on account of any acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 which is in excess of (1) 110 percent of the proportionate share for the farm, or (2) the proportionate share for the farm plus 25 acres, whichever is the greater; for so much of such excess as does not exceed 500 acres, a deduction of \$10 per acre; for so much of such excess as exceeds 500 acres, a deduction of \$20 per acre."

That, Senators, is the proposition which has been agreed to, and which has been recommended by the Department of Agriculture.

I have taken the matter up with the Department on many occasions; I have consulted quite a number of Senators whom I thought might be interested in the proposition, and 4 or 5 days ago, at the suggestion of the senior Senator from Mississippi [Mr. HARRISON], Dr. Bernhart and two of his associates, Messrs. LaGuardia and Bagwell, were called upon, and we had a meeting in the office of the senior Senator from Mississippi. The senior Senator from Colorado [Mr. ADAMS] was present, as well as the junior Senator from Colorado [Mr. JOHNSON]. At that meeting we entered into a full discussion of this proposition. The Sugar Division of the Department of Agriculture favors this amendment. They see merit in it and feel that the only way by which the sugarcane planters of my State can be afforded relief is by the adoption of this amendment.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SCHWELLENBACH. The Senator says that the Sugar Division of the Department favors this proposal. Does the Senator mean that they favor it as a separate proposition to be presented in the manner the Senator has presented it?

Mr. ELLENDER. Yes. The Department, as I understand, feels that this proposal can stand on its own feet, and that even though the amendment were submitted in connection with a sugar bill—I presume that is what the Senator from Washington had in mind—

Mr. SCHWELLENBACH (interposing). That is correct.

Mr. ELLENDER. For 1941 or future years, that this situation could not be corrected. I may say to the Senator from Washington that, of course, we could add this amendment to a sugar bill, but the point is that the farmers of my State today are confronted with the proposition of having to destroy their cane within the next 30 days in order to be able to comply with the regulations which would make it possible for them to collect benefit payments on this year's crop.

Mr. President, that is the situation, and I fear that if this proposition is deferred and not taken up until a sugar bill is considered and passed by Congress, which may not be until some time in June or July, it will be too late. The farmers will have been forced to plow up their excess acreage, and a great and irreparable damage will have been inflicted, unjustly I say, upon them.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. VANDENBERG. I understand that the additional sugar produced will have to be carried over into 1941 without disturbing the 1940 marketing quota. Is that correct?

Mr. ELLENDER. That is correct.

Mr. VANDENBERG. Well, what happens to the sugar farmers of the Senator's State in 1941?

Mr. ELLENDER. They will get correspondingly less acreage in 1941 should a sugar bill be enacted providing for the quota system.

Mr. VANDENBERG. Will you not get very substantially less acreage? In other words, are you not just postponing your problem for 1 year?

Mr. ELLENDER. No, I doubt it. In further answer to the Senator from Michigan, I may say that during the past winter the farmers of Louisiana have been confronted with the worst weather conditions they have faced since they have been engaged in the production of sugar.

We have had the most severe cold weather during last January and February of record. For a period of over 2 weeks the thermometer registered from 14° to 22° above zero, and in some instances the ground froze as deep as 4 inches, thereby affecting the planted sugarcane as well as the stools from which stubble cane grows.

In direct answer to the Senator from Michigan, I will say that it is estimated that with this additional acreage and under normal weather conditions we might produce as much as 35,000 to 40,000 tons of sugar in excess of what we would normally produce on the 1940 proportionate-share acreage. But I venture to say that, from reports which I have before me from the United States sugar station located in south Louisiana, the loss to the Louisiana sugar producers in 1940 will be in some cases as much as 35 percent, due to the abnormal weather conditions to which I have just referred.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ELLENDER. Permit me to complete my statement. I sincerely believe that, with the variable weather conditions that are confronting the farmers of Louisiana today, the production of sugar on the additional acreage will not be as great as that which would be produced on the proportionate share acreage under favorable weather conditions. So I will say to the Senator from Michigan that I do not believe that the farmers will produce a greater amount of sugar with this additional acreage than on the proportionate share acreage under normal conditions. On the other hand, if the Lord is good to us from now on and revives some of the damaged stools and plant cane, so that we can produce a normal crop, there may be an excess of 35,000 to 40,000 tons of sugar. Our sugar is produced from mid-October, in November, and December. We grind the bulk of our cane in November and December. And if anyone will suffer by virtue of this excess cane sugar, we will be the ones, because it will be charged against our quota for 1941 should the present Sugar Act be continued or a revised bill enacted.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. VANDENBERG. Of course, there may be some other sufferers, incidentally, but in the event that you confront this carry-over, do I understand that the Louisiana area is prepared to accept this substantially reduced quota in 1941?

Mr. ELLENDER. Well, the sugar farmers will be bound to if there is a sugar bill enacted with the same provisions as are contained in the present law.

Mr. VANDENBERG. They will be bound to, but they will be bound to ask their distinguished Senator to rise once more in the Senate and ask for further relief or revision.

Mr. ELLENDER. I suppose that the Senator from Michigan has in mind the fact that last year I fought that battle as well as humanly possible on the Senate floor, and asked for relief for the sugarcane growers. I may say to the Senator that the situation in that case was not the same as now prevails. In 1938 the sugar farmers of my State were allocated a certain number of acres to plant, and quite naturally none of them expected to obtain less for their 1939 planting than was allocated to each of them in the prior year. But the trouble was that the allocation of acreage for 1939 was made late in 1938, after the plantings for 1939 had been completed. We came to the Congress for relief. We could not obtain it. As a result of that situation the planters of my State were compelled to plow up as much as 30,000 acres of growing sugarcane. But the situation then differs from the present, in that when they planted for the 1939 crop the law was in effect, the quotas were in effect, although the Department had not announced any reduction in acreage. And I would like to point out, further, to the Senator from Michigan that



by virtue of that plow-up campaign, whereby approximately 30,000 acres of cane were destroyed, my State was denied a potential revenue in excess of \$5,000,000. In other words, there was \$5,000,000 destroyed, which would have meant employment and purchasing power to the rural population of Louisiana. But the proposition that confronts us today is totally different, in that there was no law on the statute books and there was no prohibition at the time with respect to the planting of this excess acreage. As I pointed out a while ago, the President of the United States had suspended sections 2 and 3 of the act during the entire planting season of sugarcane in Louisiana.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. O'MAHONEY. I desire to make clear in my own mind just what the Senator's estimate of the excess production will be, weather permitting. I understood him to say that it will be between 35,000 and 40,000 tons above the normal production.

Mr. ELLENDER. Weather permitting, yes; under normal conditions. I think that is about the estimate of the Department.

Mr. O'MAHONEY. The estimate of the Department, I may say to the Senator, was 50,000 to 60,000 tons.

Mr. ADAMS. Yes; that was the estimate made at the meeting I attended.

Mr. O'MAHONEY. The Senator feels that this would be corrected only by future legislation?

Mr. ELLENDER. Yes; because the present law expires, as I understood, in December of this year.

Mr. O'MAHONEY. That is correct.

Mr. ELLENDER. And, of course, if there happens to be no sugar bill reenacted, necessarily there will not be any quota, and the planters of my State as well as the sugar-beet growers of the Senator's State will not be affected.

Mr. O'MAHONEY. I assume the Senator is desirous of having the sugar bill reenacted?

Mr. ELLENDER. Positively. I will say to the Senator from Wyoming and to the Senator from Colorado that I have heard, on two or three occasions, that there was no disposition on the part of the junior Senator from Louisiana to have a sugar bill, but I wish to affirm that I am very much interested in a sugar bill, and that as far as I am personally concerned I shall do all I can to have one enacted, because I sincerely believe that the best way by which we can take care of the sugar farmers of both Wyoming and Louisiana, and in fact the sugar farmers of the Nation, is under the quota system. I want it understood, however, that I desire a much larger quota for continental producers than is now provided by law. Rather than reenact the present law, I would much prefer no law at all on the subject, but a restoration of the tariff system for the protection of sugar producers.

Mr. O'MAHONEY. Mr. President, I wonder if the Senator realizes that if this excess of which he speaks were allowed to come into existence without a solution of other immediately pressing problems of a like character, those who are growing sugar beets in many States of the Union would be facing exactly the same dilemma that the farmers of Louisiana are now facing, and that the sugar-beet areas would be confronted with the necessity of curtailing their acreage.

Mr. ELLENDER. No. There is no comparison, Senator. I should like to have the attention of the Senators from California.

Mr. O'MAHONEY. Before the Senator proceeds, let me say that that is a position with which I do not agree. I think it will be possible for us later to demonstrate that unless the whole sugar problem is settled, with all the elements in it, including the planters in Louisiana, sitting down together, the planters in beet-sugar areas will be bound to suffer materially. I thank the Senator for permitting me to interrupt him.

Mr. ELLENDER. Of course, I cannot agree with the distinguished Senator from Wyoming. The proposal which I now present to the Senate would not give to my people the same relief as the Department has been able to afford to the sugar-beet growers. California planted her beet crop during

the time that the President had suspended the quota system. In order to get around the difficulties which confronted the California growers, the Minnesota growers, and some growers in Colorado, the Department issued rulings under which the farmers would be entitled to benefit payments with respect to all beets that had then been planted and were then under contract, even though the amount planted was in excess of their pro-rata share.

Then the flood came in California several weeks ago, and under date of March 9, 1940, the Sugar Division issued the following release:

WASHINGTON, D. C., March 9, 1940.

The Sugar Division announced today that the sugar-beet proportionate share (acreage allotment) for any farm for the 1940 crop will be the acreage of sugar beets planted on the farm for the production of sugar. This supersedes previous announcements regarding proportionate shares which were necessary because of early sugar-beet plantings in certain areas.

It will be noted from this announcement, issued by the Department of Agriculture, that there is no limitation on the 1940 plantings of beets in the United States. Every farmer in the State of Nebraska may plant beets to the extent of his ability. The same thing is true of Idaho and of every other State in the Union.

Mr. CLARK of Idaho. Mr. President, will the Senator yield?

Mr. ELLENDER. I shall be glad to yield in a moment.

Mr. President, there is no prohibition whatsoever against the planting of sugar beets in 1940. Furthermore, under the law, the Government will make benefit payments on every pound of sugar that is produced on this acreage.

Senators, I plead for my people. I plead for the farmers of Louisiana. I am not asking that we be permitted to collect benefit payments from the Government on the excess acreage, but merely that our farmers be permitted to harvest and reduce to sugar the cane now planted on said excess acreage. That is all I am asking. I do not want the farmers of my State to be compelled to plow up cane which was legally planted by them in good faith, and I am pleading with Senators not to permit that to happen. It would mean the destruction of more than 40,000 acres of cane which were planted by my people in good faith and at a cost of \$28 to \$35 an acre. Just think of the tremendous out-of-pocket loss these farmers will have to stand if my amendment is not adopted—40,000 acres at \$35 per acre means a total actual loss of \$1,400,000, and a potential loss of property in excess of \$6,000,000. Will any friend of the farmer refuse to support legislation to protect the American farmers against such a loss? It is unbelievable to me that anyone will oppose such a fair and just proposal.

The sugar-beet growers have not yet planted their crops. Only a third of the beet area has been planted. Two-thirds remains to be planted; and there is no restriction. The beet growers may plant all they wish. They may plant to the limit, and the Government will pay them on every pound of sugar they produce. In the case of the sugarcane farmer, we shall have to destroy cane which we have already planted, and which we rightfully planted. Otherwise we cannot receive benefit payments. I say again that such discrimination is unfair, and all I am asking is justice.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I ask the Senator if there is not a limitation upon the marketing allotments?

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. So exactly the same situation exists—

Mr. ELLENDER. If the Senator will permit me, under the law, if the production of sugar on the excess acreage is less than the marketing quota fixed for processors, of course, it may be marketed. However, the law provides that a processor may not sell except within his quota limit, and that quota limit is fixed by the Department of Agriculture under a formula written in the law. So any excess sugar produced from this acreage, whether on the proportionate share or on the additional acreage, may not be marketed. It is carried over, and that sugar is credited against Louisiana or Florida.

Mr. O'MAHONEY. Does not the same situation exist with respect to the beet-sugar area?

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. So the problem is exactly the same in both areas?

Mr. ELLENDER. Certainly.

Mr. O'MAHONEY. The amount of sugar which may be marketed is limited by the quota; and if plantings are allowed in excess of the acreage which produces the quota, whether they be allowed in Louisiana or in the beet-sugar areas, they are bound to produce an excess inventory which will smash the price of sugar for the Louisiana planter as well as for the beet planter. Is not that correct?

Mr. ELLENDER. Would the Senator advocate—

Mr. O'MAHONEY. Is not that correct?

Mr. ELLENDER. I would not say so; not under the conditions which exist in my State today. I would not admit that, because, as I shall point out in a few minutes, on the additional acreage which we are trying to save, and on our proportionate acreage, the loss in sugar production will be from 8 to 35 percent. In my humble opinion—I may be mistaken, but I do not think so—the entire production on the whole acreage planted to cane in Louisiana prior to January 1, 1940, will not be what the production would have been on the proportionate share acreage if weather conditions had been normal.

Mr. O'MAHONEY. I understand the Senator's contention; but perhaps he is overly pessimistic in his prophecy. Perhaps the weather will permit the Louisiana planters to produce what the Department of Agriculture estimates will be their excess, namely, from 50,000 to 60,000 tons above their already increased quota.

Mr. ELLENDER. I will say to the Senator that the estimates of the Department are based on normal or near-normal conditions. Last week we had a freeze in Louisiana which affected all the cane. We have had as much as 14 inches of rainfall within 48 hours. Does the Senator know that the planters of my State are now 4 or 5 weeks behind schedule, and that the reason why they are so far behind is that they cannot work their cane because of unfavorable weather conditions? With the adverse weather conditions now prevailing in Louisiana the sugarcane will not mature in sufficient time for a normal harvest. Farmers will be confronted with cold weather and with other difficulties, which are bound to reduce the production of sugar to the extent I have just indicated to the Senator.

Mr. O'MAHONEY. If the Senator will permit me to interrupt him at this point, since he is talking about bad weather, I should like to read from the announcement of the Department of Agriculture Sugar Division of March 9, 1940. The announcement deals with the beet-sugar area. In that announcement the Sugar Division says:

In view of unfavorable climatic conditions, such as floods in some areas and drought conditions in others, as well as other factors which affect adversely the sugar-beet crop, it is no longer expected that the 1940 crop will produce an amount of sugar which, when added to current supplies, will be more than is required to meet the continental beet area's quota and carry-over requirements.

Let me say to the Senator that I appreciate and thoroughly sympathize with the quandary in which the planters of Louisiana find themselves, and I should like very much to be able to assist the Senator in obtaining relief for that area; but it is my contention that the Senator is dealing with only one small fraction of one of the most complicated problems in agriculture in this country. There are beet-sugar farmers throughout the West, there are cane farmers in Florida, there are beet farmers in the Middle West who are confronted with almost the identical problem which the Senator from Louisiana outlines, in a little different way.

My contention is that if we deal with one factor of this complicated problem by way of a rider to the pending bill such action will necessarily compel those of us who represent other sugar areas to seek legislation upon the matter, because we dare not have one small factor handled and allow others to remain without attention.

I am ready to cooperate with the Senator from Louisiana in urging the Department of Agriculture and the State Department to cooperate immediately in bringing in a sugar bill. The problem confronts us, as the Senator has so well said. The sugar legislation ceases to operate this year. We must legislate within the next month or so; and it is of the utmost importance to all areas concerned that that task should be undertaken immediately, not upon the floor of the Senate but where it ought to be handled, namely, in a committee.

Mr. ELLENDER. In answer to the Senator from Wyoming, I will say that his immediate problem has been met by the Department. Somehow the Department has found in the law a provision by which, on account of floods, climatic conditions, and so forth, his farmer constituents are given carte blanche to plant and cultivate and receive Government payments on all sugar beets produced.

As I said a while ago, there is no prohibition against beet planting. All I am asking is that the sugarcane farmers be put in the same boat. I have taken the matter up with the Department; but, somehow, under the law, the Department is unable to give us relief—because, I am told, of the difference in the method of planting, cultivating, and so forth, as between sugar beets and sugarcane.

Mr. O'MAHONEY. Mr. President, the beet growers did not regard the action of the Department as a gift in any sense of the word. Many of them are fearful that the effect of the release with respect to plantings was rather to serve the Cuban interests than to serve the domestic interests in the United States.

Mr. ELLENDER. I cannot quite follow the Senator as to how the Cuban interests could be served in this instance, because my amendment does not affect Cuba in any manner. It simply puts the Louisiana sugar planter on the same basis on which the beet farmer has been placed by regulation, with this exception, that the beet farmer will receive payments on all he produces and the cane farmer will receive benefits on his proportionate acreage only and will be penalized on his excess acreage.

Mr. BYRNES. Mr. President, will the Senator yield to me?

Mr. ELLENDER. I yield.

Mr. BYRNES. I should like to try to understand the situation. As I understood the Senator's proposal, it is that by reason of the declaration suspending the quotas at the time of the outbreak of war the cane growers of his State proceeded to plant cane without regard to quotas.

Mr. ELLENDER. That is correct.

Mr. BYRNES. That now they are confronted with the situation that the quota again having been applied, and their acreage being in excess of the quota, they must plow up some of that cane, or do what the Senator asks that they be permitted to do—grind the cane and carry it over to next year.

Mr. ELLENDER. That is correct.

Mr. BYRNES. But I understood that if it should be carried over, the sugar carried into next year could not be marketed except as part of the quota to which you would be entitled anyway if the program continues.

Mr. ELLENDER. That is correct.

Mr. BYRNES. Then, for the life of me, I cannot see how it affects Cuba or the beet-sugar States. The question presented seems to be whether we should, by not acting at this time force you to plow up the cane and destroy it, or else pay you benefits now and deduct the quantity of sugar from the quota you would get next year. Is that right?

Mr. ELLENDER. That is correct.

Mr. BYRNES. There is no question about the correctness of my statement that it would not exceed the quota you would be entitled to next year?

Mr. ELLENDER. No question at all.

Now let me make a statement to the Senator in further answer to the argument of the Senator from Wyoming as to the effect of this excess sugar on the markets. As the Senator from South Carolina has correctly stated, the amount of sugar that goes on the market, that will affect the market, is fixed under the act, and any excess must be carried over. It cannot be sold. Therefore it cannot affect the market.



Now permit me to illustrate to the Senate the discrepancy which exists between the status of beet people and that of the sugarcane people. I am not trying to find fault with what the sugar-beet people received. I am glad they got what they are now receiving. I will join with them in getting more, because I feel that this country of ours should be permitted to produce at least 40 percent of our sugar requirements. Continental producers ought to produce that much sugar.

Listen to this, Senators: When the act went into effect in 1937—

Mr. PEPPER. Mr. President, while the Senator is talking on that subject, will he state the percentage of domestic consumption which is domestically produced?

Mr. ELLENDER. Under the act, domestic producers, that is, continental producers, may supply between 28 and 29 percent of our requirements. That is all they may produce.

In 1937 the acreage harvested in the beet area was 755,000 acres, and the amount of sugar produced was 1,374,990 tons. In Louisiana, for the same year, the acreage harvested was 254,000, and the production was 405,000 tons.

In 1938 the harvested acreage in the sugar-beet area was increased to 930,000 acres, and on that acreage was produced 1,803,000 tons of sugar. In Louisiana in 1938 the acreage was fixed at 270,000 acres, with a production of 492,000 tons of sugar; and listen to this, Senators:

In 1939 the acreage for the beet producers was increased from 930,000 to 1,030,000 acres, upon which was produced 1,756,383 tons of sugar, or 36.43 percent more acreage than was harvested in 1937.

Now, let us see what happened in Louisiana. In 1939 our acreage was cut down to 238,000 acres, or 6.3 percent under the 1937 acreage, and for this year the beet farmers are given carte blanche, as it were, unlimited acreage to produce unlimited amounts of sugar, and the Government is going to pay them on every pound they produce in 1940 and let—

Mr. ADAMS. Mr. President—

The PRESIDING OFFICER (Mr. SCHWELLENBACH in the chair). Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. ELLENDER. Gladly.

Mr. ADAMS. Will the Senator allow me to make what I think is a needed correction?

Mr. ELLENDER. I gladly yield to the Senator.

Mr. ADAMS. Day before yesterday the Secretary of Agriculture issued a bulletin in which he limited the beet production in the domestic areas to 1,549,898 tons. In other words, the producers are to be cut down more than 200,000 tons below what they produced in the 2 preceding years.

Mr. ELLENDER. The Senator refers to the 1940 beet-sugar marketing quotas, and not grower allotments.

Mr. ADAMS. So that cut is being applied to the beet area, and yet the Senator wishes to increase the production in the competing areas.

Mr. CLARK of Idaho. Mr. President—

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. ELLENDER. Just a minute. But, Mr. President, when the beet growers are permitted unlimited acreage, I grant to the Senator from Wyoming [Mr. O'MAHONEY] that the same condition which will face his farmers because of increased acreage will face our growers. The sugar carried over because of the production of more sugar than can be marketed under the act will, of course, decrease their acreage for next year. You are faced with that proposition to a greater extent than would be Louisiana if we were permitted to harvest these few excess acres of sugarcane.

Mr. CLARK of Idaho. Mr. President—

Mr. ELLENDER. Just a moment. As I just stated, the beet farmers may produce on an unlimited acreage. They produced in 1938 on 930,000 acres 1,803,000 tons of sugar, and it is possible that on an unlimited acreage they might produce as much as 1,800,000 or probably 2,000,000 tons of sugar; and, of course, if the Lord is good to them, and they should produce that much sugar, they would necessarily have to de-

crease their acreage in proportion to the extent of the carry-over of sugar for the succeeding year. By the same token, I say that the Senator from Wyoming [Mr. O'MAHONEY] and the distinguished Senator from Michigan [Mr. VANDENBERG] are correct from that standpoint, that the Louisiana farmers will be faced with the same proposition, if we have favorable weather conditions, under which we produce as much as fifty to sixty thousand tons of sugar more than we would have produced on the proportionate share average. Should such a production occur our farmers will be the sufferers in being compelled to take a cut in acreage in 1941.

I now yield to the senior Senator from Idaho [Mr. CLARK].

Mr. CLARK of Idaho. Mr. President, the Senator, of course, is technically correct when he states that a regulation or an order has been issued allowing the beet areas to plant an unlimited acreage. Why such an order was issued no one knows. It is a snare and a delusion; but I think the impression one is likely to get from that technical truth is quite misleading, because the actual plant of sugar beets is dependent upon contracts with the processors, which are signed in advance.

Mr. ELLENDER. We face the same condition.

Mr. CLARK of Idaho. No farmer goes out and just plants sugar beets. He has his organization, and they make a contract with the processors in that area; and the processor must have a factory in that area or it is uneconomic, of course, for the farmer to plant sugar beets.

Mr. ELLENDER. That is our condition.

Mr. CLARK of Idaho. Exactly. So the processor bases the contracts with the grower entirely upon his marketing quotas. As a practical matter, the processor is not going to contract for any more sugar acres than he thinks he can market under existing quotas. The Senator knows, I am sure, that we have a carry-over of something like—I may be only approximately correct—a million tons.

Mr. ELLENDER. One million three hundred and fifty thousand tons.

Mr. CLARK of Idaho. We have a carry-over of 1,350,000 tons of sugar overhanging the market today, which the processors are holding in storage because last year and the year before they undertook to contract for too much acreage in the beet area. So this order allowing the beet producers to grow an unlimited number of acres of sugar is nothing but a sham, because the processor will contract only for the necessary amount of acreage to produce the amount of refined sugar he thinks he can sell. That is correct, is it not?

Mr. ELLENDER. I presume so, unless he would be willing to increase his stocks.

Mr. CLARK of Idaho. And, as a practical matter, the beet grower cannot plant any more acres than the processor will contract to buy from him.

Mr. ELLENDER. That is correct. The same proposition faces us. No sugarcane farmer desires to plant cane unless he can contract with a processor to grind his cane and convert it into sugar.

Mr. CLARK of Idaho. That is exactly the point we make.

Mr. ELLENDER. Our farmers in Louisiana do not grow cane unless they have a contract with a factory to grind it, as I just stated.

Mr. CLARK of Idaho. Yes; but if I correctly understood the Senator, he undertook to say that we had unlimited production; and the impression—I am sure the Senator did not mean to leave a misleading impression—was that as a practical matter we could plant more acres than the processor would contract for.

Mr. ELLENDER. Certainly; but I desire to point out the proposition to the Senator, and I do say that you have no limitation, according to the announcement of the Secretary of Agriculture which I read to the Senate a short while ago.

Mr. CLARK of Idaho. That is true. As a practical matter, however, we do.

Mr. ELLENDER. I understand; but your constituents may plant all they desire, all they can contract for, and they will be paid on the entire amount of sugar processed. There is no limitation whatever if they can find someone to process their beets.

Mr. CLARK of Idaho. But as a matter of fact we cannot do so, except legally.

Mr. ELLENDER. And, as I understand the situation today with reference to the sugar-beet producers, less than one-third of the beet-sugar acreage has been planted up to now. I may be wrong, but I understand they are planning to plant all they can.

As I recall, some time ago the Senator from Nebraska [Mr. NORRIS] desired a greater sugar-beet acreage for the State of Nebraska; and under the ruling that was issued by the Department under date of March 9, the beet farmers of Nebraska may now plant as many acres as they desire, as many acres as they can contract for, and they are going to be paid out of the Federal Treasury a subsidy on every pound of sugar they produce.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Nebraska?

Mr. ELLENDER. Yes; I yield.

Mr. NORRIS. It does not do the farmer any good to plant a lot of beets unless he can have somebody to process those beets into sugar. Unfortunately, the farmer himself cannot make sugar out of his beets. It costs a lot of money to put up a sugar factory. To say to him, "You may plant as many acres of beets as you desire" does not mean anything to him unless he can sell the beets. He cannot sell the beets unless there is a factory which has enough capacity to make sugar out of the beets; so that does not mean anything to him.

Mr. ELLENDER. I believe the statement I made before I yielded to the Senator indicated that the farmers of Nebraska had the right to unlimited plantings provided they could get contracts from the manufacturers of sugar to convert the beets into sugar.

Mr. NORRIS. Will the Senator further yield?

Mr. ELLENDER. I yield.

Mr. NORRIS. If the farmer could process his own beets into sugar, then this unlimited ability to plant would be fine. Nobody will build a factory, however, unless he knows that he is going to get beets to manufacture into sugar through his factory. When there is a limitation on that, in effect it is a limitation on the farmer's ability to sell—not any limitation on his ability to produce—but he would be foolish, indeed, to raise a lot of beets if he knew in advance that he was not going to have any way of processing them and getting sugar out of them. It would be perfectly silly and foolish for him to do so. On the other hand, the men who have money to invest in a factory will not build it unless they are assured that they are going to have a sufficient quota to make sugar out of all the beets in that vicinity that they can handle.

Mr. ELLENDER. I realize that, and we in Louisiana are faced with the same condition.

Mr. ADAMS. Will the Senator permit me to make a comment to the Senator from Nebraska?

Mr. ELLENDER. I yield first to the Senator from Michigan.

Mr. BROWN. I wish to make a very brief comment, particularly on what the Senator from Nebraska stated. I ask the Senator from Louisiana if this is not the situation: That there is an American market for sugar; that we have turned over to Cuba something like 45 percent of the total market, and have retained for the United States something like 55 percent for the cane area and the beet area. We have all protested against that situation. I think that Nebraska and Florida should have a part of that market, and that it ought to be taken from Cuba. But what we are concerned with here, it seems to me, is not the situation as the Senator from Nebraska points it out or as the Senator from Colorado points it out. I do not quite agree with the Senator from Idaho. It is absolutely true, as the Senator from Idaho and the Senator from Nebraska have said, that the marketing limitation does prevent the planting of any more beets than the factory will take. That is a fact, and I grant that to be true. But I am a little sympathetic with the situation which faces the Senator from Louisiana. The farmers in his State do not plant a crop in the spring which is developed during the summer months and is harvested in the fall, as is the situation in Idaho, in Michi-

gan, and in Colorado, but they plant a crop which lasts for 3 years. When they plant their sugarcane, it is not for 1 year, it is not for 2 years, it is for 3 years; and in perfect good faith the Louisiana planters planted their sugarcane crop, assuming that the crop would bear its sugar for a period of 3 years.

I understand that the Senator from Louisiana has agreed substantially with those in the Department who have approved his amendment, that if the amendment shall be agreed to and become the law, Louisiana will not use the fact that their situation will be serious in 1941, if weather conditions make it so, as the basis for an argument that Louisiana should have a larger share of the 1941 market than they have under the provisions of the sugar law.

The market is divided between the American sugar producers, domestic beet 41.72 percent, mainland cane 11.31 percent. That is the share each class gets. I understand that the Senator is willing to say that he will not use the fact that the Louisiana planters may have a profit in 1941 as to the marketing of their sugar—as the basis for an argument that their share of the 1941 crop should be increased. If that is a fact, and I understand it to be so—

Mr. ELLENDER. That is a fact.

Mr. BROWN. That being a fact, I do not think that, as the representative of a good many sugar-producing people in Michigan, I should stand here and say that I am going to make these Louisiana planters plow up a large amount of sugarcane they have planted, if they will say to us, as the Senator has under my questioning, that they are not going to use the situation which may possibly confront them in 1941 as the basis for an attempt to grab a larger share of the 1941 marketing quota. I accept that assurance in good faith, and I say that if that is the situation, we should alleviate this condition in Louisiana, and permit the farmers there to go on with their crop, which, as I have said, is a 3-year and not a 1-year crop, as is the case in the beet-producing areas, and we should permit them to recover the benefit payments which come under the Sugar Act. Have I stated the matter fairly?

Mr. ELLENDER. The Senator has, and I thank him very kindly.

Mr. BROWN. As my colleague stated this morning, and I think my colleague puts his finger on the vital thing, if the situation in Louisiana in 1941 is not to be made the basis for a demand for a larger share of the 1941 market, I, as a representative in part of the State of Michigan, am willing to accept the Senator's amendment.

Mr. ELLENDER. I thank the Senator. Now, I yield to the Senator from Colorado.

Mr. ADAMS. My inquiry is now stale. I desired to ask a question which was pertinent to what the Senator from Nebraska was saying.

Mr. ELLENDER. I am so sorry.

Mr. CLARK of Idaho. Mr. President, will the Senator from Louisiana yield to me?

Mr. ELLENDER. I yield.

Mr. CLARK of Idaho. I am not unsympathetic, if I may say so to my distinguished colleague from Michigan, with the situation in which Louisiana may find herself. I think that is a fair statement. Let me say to the Senator, however, that, as he well knows, we have been working for a great many months on general sugar legislation, which will have to be passed in some form or other before the present session ends. We have met with Members of Congress from the Senator's State of Louisiana a great many times, and we think a bill has been introduced in the House now, I think by the chairman of the Committee on Agriculture [Mr. JONES], which is fairly satisfactory. That bill as presently introduced contemplates taking approximately 200,000 tons of sugar from Cuba's allotment. Probably amendments will be proposed, either in the House or in the Senate, which will take even a larger quantity over a period of time, but at least 200,000 tons will be taken this year. If Cuba's quota should be decreased and the mainland and possibly to Territorial quotas of the United States could be thereby increased, a part of the problem which confronts the constituents of the Senator from Louisiana will have been solved.



Mr. ELLENDER. If I may interrupt, our present situation cannot be solved by adding to the present quota for the reason that under any law which might be passed by Congress, increasing the domestic quotas, any additional sugar would have to be prorated among all the farmers.

Mr. CLARK of Idaho. Of course, it would.

Mr. ELLENDER. In the present situation there are some farmers who planted a little bit more than their quota would ordinarily be, and that is why the suggested amendment would do them no good if it is tacked on another bill, and an attempt made to solve the problem in a future sugar bill.

The situation which confronts us today is this: Unless this legislation is made possible within the next 30 days, farmers will have to destroy the excess cane in order to receive benefit payments on their 1940 crop; and, as the Senator from Michigan correctly pointed out, when we plant sugarcane in Louisiana it is planted this year and harvested over a period of 3 successive years. First there are the plant-cane stalks, then first-year stubble stalks, then second-year stubble stalks. The destruction of that plant cane means to the average farmer that he is out nothing short of \$28 to \$35 per acre of actual loss. The cane that was planted in the fall of 1939, when there was no quota, when the quota was suspended, would have to be destroyed; and what would be the result? The farmer would lose not only the crop of plant cane that he would have harvested in the fall of 1940 from that planting but also the crop of first-stubble cane that he would have harvested in the fall of 1941, as well as the crop of second-stubble cane in the fall of 1942.

Next year this situation can be well met, even under the present law, because by September, when we plant again, the farmer could be advised of his acreage allotment for 1941 and he could destroy second-year stubbles and reduce his planting, and he would come out on an even basis.

Mr. CLARK of Idaho. I am not unsympathetic with the Senator's position—

Mr. ELLENDER. I thank the Senator. However, what I desire is not sympathy but votes. [Laughter.]

Mr. CLARK of Idaho. I may say to the Senator that I am opposed generally to this method of legislating, however.

Mr. ELLENDER. If the Senator will permit me, I cannot see any connection between the proposal I am making to the Senate today and a new sugar bill. As I suggested to the Senator from Colorado, I am willing to pull off my coat and fight as hard as I can for a sugar bill. We must enact a sugar bill. I believe in the quota system, and the only way by which we can continue under it is to have another sugar bill passed. But the situation of the Louisiana sugar farmers needs immediate attention.

Mr. CLARK of Idaho. Does the Senator think it is so serious that action must be taken within 30 days?

Mr. ELLENDER. The Department has already given orders to destroy the sugarcane under penalty that the farmers will not get benefit payments for 1940. It is different from the position in which the Senator's constituents find themselves. If they had to plow up their excess acreage, all they would lose would be a few pounds of beet seed. In our case we will lose three crops if we have to destroy the cane we planted last fall.

In view of conditions in agriculture today, and in view of the fact that last year Louisiana cane growers were cut down to a minimum and had to plow up 30,000 acres, I say to the Senator from Idaho that to make them plow up again would simply mean that they could not stand the burden, and it would put many of them out of business, which I know the Senator would not want to have occur.

I plead with my colleagues to adopt my amendment without delay. I cannot see how it will disturb any beet growers. It cannot affect them, because, as I see it, the adoption of this amendment would simply put the sugarcane growers in practically the same condition in which the beet growers are, with this exception—that the beet farmers are going to receive benefit payments on everything they produce in 1940, and we are willing to receive benefit payments on only that cane grown on proportionate share acreage, and in addition be

penalized for the acreage harvested in excess of our proportionate shares.

Mr. JOHNSON of Colorado and Mr. BROWN addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Louisiana yield; and if so, to whom?

Mr. ELLENDER. I yield first to the Senator from Colorado.

Mr. JOHNSON of Colorado. I wish to challenge the statement of the Senator from Louisiana that the only thing the beet farmer would lose would be the seed. I know the Senator from Louisiana is a good farmer, and he must know that there is such a thing as crop rotation, and that the beet farmers can afford to plant beets only in their most fertile and best-prepared fields. It takes years to prepare a field for beet planting. They have to rotate with legumes and other crops, they have to plant alfalfa, and they have to plow under crops to make the ground ready for the growing of beets.

Mr. ELLENDER. Is there not anything else which could be planted?

Mr. JOHNSON of Colorado. The Soil Conservation Service places restrictions upon beet growers. When the farmers get an order from the Federal Government in March allowing them to increase their acreage they cannot proceed to plant new acreage to beets which they have not planned to plant, because it is necessary to prepare the soil over a period of 5 years of crop rotation.

Mr. ELLENDER. We are faced with the same conditions. We have to plant legumes, we have to ditch our land, and we have to work it for a period of 2 or 3 years before we put in a cane crop. But the point I am making is that we would not only lose that, but we would also lose the seed cane that is already in the ground, and upon which we anticipate at least three crops of sugarcane. That is the situation which confronts us today, and I know the Senator from Colorado will agree with me that it is a most serious one.

Mr. NORRIS. Mr. President, will the Senator permit me to ask a question at that point?

Mr. ELLENDER. Certainly.

Mr. NORRIS. I am not very familiar with the Senator's amendment I am sorry to say. I heard it read, but I have not looked into it since, and I cannot quite understand it. If the Senator's amendment should become law, would it mean that the sugar quota coming to the beet-sugar area, for instance, would be lessened?

Mr. ELLENDER. No.

Mr. NORRIS. What are we to do about the increased production in Louisiana above the quota?

Mr. ELLENDER. That would be charged to us, because it would be carried over to next year.

Mr. NORRIS. When is it to be taken care of?

Mr. ELLENDER. Next year.

Mr. NORRIS. Next year?

Mr. ELLENDER. Exactly.

Mr. NORRIS. Is that provided for in the amendment?

Mr. ELLENDER. No; that is in the law. In other words, this would be the effect of my amendment. Under the present law, in order for a farmer to receive benefit payments from the Government, he must not plant in excess of the acreage assigned to him; otherwise he does not get the payments.

Mr. WILEY. The cane-sugar farmer?

Mr. ELLENDER. Yes; and the sugar-beet farmer as well. When the quota was off, after being suspended by the President, some sugarcane farmers planted in excess of their proportionate share acreage.

The effect of my amendment will be to give authority to the Treasurer of the United States to pay to the sugar farmers of Louisiana and Florida benefit payments on all sugarcane grown on their 1940 proportionate share acreage and as to the cane on the excess acreage they will be permitted to have it ground into sugar; provided, however, that they pay the penalties imposed in my amendment which are to be deducted from the benefit payments made to them on their proportionate share acreage. That is what my amendment amounts to, and nothing else.

In some cases the amount of penalties assessed, if the farmer chooses to produce sugar on that excess acreage, will equal the amount of benefit payments he would be entitled to receive from his proportionate share acreage.

Further answering the Senator from Wyoming [Mr. O'MAHONEY]—I am sorry he is not in the Chamber at the moment—I will say that the imposition of penalties will have a tendency of cutting down sugar production in Louisiana and Florida because no farmer would want to leave standing an acre of cane, for instance, second-year stubble, where the net revenue he would get from that cane after harvesting it would be less than the \$20 penalty imposed under my amendment. And I am confident that under this penalty system quite a few thousand acres of second-year stubble will be destroyed. I, of course, dislike the penalty feature, but my amendment represents the best bargain I could obtain from the Sugar Division.

As I said a while ago, the appropriation which is to be made to pay sugar producers for 1940 will benefit because quite a number of farmers in Louisiana and Florida will take advantage of the option of cultivating their excess sugarcane acreage and making it into sugar, and permit the Government to deduct from their benefit payments whatever amount the penalty imposed by my amendment adds up to in their particular cases.

I repeat that the fund which is now being appropriated to pay the sugarcane farmers of my State will benefit under my proposed amendment. The amount expended in benefit payments will be reduced by several thousand dollars because I am sure that quite a number of Louisiana farmers will prefer to cultivate some of their excess cane acreage and accept the penalty.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. NORRIS. Would not the complete result be this: In the first place, your farmers have planted an excess acreage?

Mr. ELLENDER. Yes.

Mr. NORRIS. They ought not to have done that, of course.

Mr. ELLENDER. Oh, yes. They acted in good faith. There was no quota at the time they made their plantings. The quota provisions of the act were suspended. There was no law in effect.

Mr. NORRIS. I assume that might occur because it is a 3-year crop.

Mr. ELLENDER. No; the quota was suspended.

Mr. ADAMS. Is the Senator correct that title III was suspended? Title III contains the limitation on the cultivation. Title III was not suspended, but only title II of the Sugar Act was suspended.

Mr. ELLENDER. The quota was suspended; and I read to the Senate a few minutes ago a telegram that was sent by Dr. Bernhardt, of the Sugar Division, advising that at that time the Department did not contemplate a 1940 quota. His exact words were:

In view of the suspension of quotas, no program or payments under the provisions of title III of the Sugar Act is in effect or contemplated at this time for the 1940 crop in any producing area.

Mr. ADAMS. Title III was not suspended. Only title II was suspended. I will be glad to read it to the Senator.

Mr. NORRIS. Mr. President, the amendment of the Senator from Louisiana will result in increased production in Louisiana, we will say. If we are to have quotas on sugar, and the amount that the American producer of sugar can produce is limited, and then if one section of the country overlaps and goes beyond its quota, will it not affect the other sugar producers, and they will not get the same quota they otherwise would receive?

Mr. ELLENDER. No, sir, it cannot, Senator, and I will state the reason. Let us say that the law as it is now written should be extended into the next year. Here is what would happen. If Louisiana produces in excess of its marketing quota, any excess is carried into the next year, so that when the acreage is fixed for next year, Louisiana's acreage is reduced in proportion to the amount of excess sugar her processors have on hand. It does not affect the

area of the Senator from Nebraska. The same situation exists in the beet area. If in the beet area there is sugar produced far in excess of its marketing quota of sugar, the following year its acreage would be, of course, in proportion to the excess sugar it has on hand. In other words, the larger the carry-over in either the beet area or the sugarcane area, the less will be the acreage the following year.

The two territories are treated separately. We in the cane-sugar area have to suffer in succeeding years, depending on the amount of carry-over sugar we have on hand, and likewise the sugar-beet farmers suffer in loss of acreage in proportion to the carry-over sugar in their industry. That is why I cannot for the life of me see why my good friends who represent those who produce beet sugar should object to this proposal, because it does not affect them.

Mr. SCHWELLENBACH. Mr. President—

The PRESIDING OFFICER (Mr. DANAHER in the chair). Does the Senator from Louisiana yield to the Senator from Washington?

Mr. ELLENDER. I yield.

Mr. SCHWELLENBACH. The thing I cannot understand about the Senator's argument is this. The senior Senator from Michigan [Mr. VANDENBERG] earlier in the Senator's remarks asked the Senator whether you were not simply postponing your problem from this year to next year, and that next year you would have the added burden, and the Senator from Louisiana explained in answer to that question, that an excessive freeze occurred in Louisiana this year, and therefore it probably would not mean an additional problem next year. But the Senator explained that in Louisiana a 3-year crop is obtained. If you carry along your excessive planting, due to the situation last fall, you may be able to rely upon this freeze as far as this year is concerned, but can you possibly rely upon this year's freeze in washing out your problem in the second year and the third year? Will you not certainly in the second and the third years be met with the same problem?

Mr. ELLENDER. No; for this reason, Senator: That each year we destroy a third of our crop. When the proposition faces us next year, we will, under ordinary planting practices, destroy one-third of our cane; that is, the second stubble of this year will become third stubble next year, and in Louisiana it is customary to destroy third stubble. Next year, if we have to reduce, we can simply make no new plantings or reduce our new plantings. And so the monetary loss will not be as great, the Senator can readily see, as it would be if we are forced now to destroy plant cane that will be good for 3 years. Senators, if we are permitted not to destroy the cane planted this year, then if the law which is now on the statute books happens to be reenacted next year, in the ordinary course of sugar culture, we are going to have to destroy one-third of our acreage. And the only thing the farmer will have to do will be to plant less cane next year, and the loss will be what he would naturally lose; that is, the stools from one-third the acreage.

Mr. SCHWELLENBACH. Does that mean that you are objecting to destroying it now, but are going to destroy it next year? What is the difference between destruction at one time and destruction at another time?

Mr. ELLENDER. No. If we destroy a stubble cane that has produced two crops, our loss will not be great, but this year many farmers will be called upon to destroy a great deal of new plant cane that has never produced anything. As I pointed out a while ago, cane produces at least three crops.

Mr. SCHWELLENBACH. Why would you not destroy more of the stubble cane this year of your second-year cane and leave that which is excess planting remain?

Mr. ELLENDER. Because in some cases certain farmers had less than 25 percent of their acreage in sugar and they naturally increased their plantings. They complied with the requirements of the Department in not destroying their cane last year, expecting to take advantage of the situation this year, and, of course, under the rulings of the Department, if the quota system had not been lifted a good many farmers would have had to destroy the first year stools. But under the proposition as it now stands I can assure Sen-



ators that thousands of acres of cane planted this year, that never produced a stalk of cane, are going to be destroyed if this amendment is not adopted.

Mr. CLARK of Idaho. Mr. President—

The PRESIDING OFFICER (Mr. GURNEY in the chair). Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. ELLENDER. I yield.

Mr. CLARK of Idaho. Does the Senator know whether there is power in the Sugar Division of the Department of Agriculture to tide the farmers of the Senator's State over until the sugar bill can get over from the House?

Mr. ELLENDER. I would not ask the Senate to adopt my amendment if that were possible.

Mr. CLARK of Idaho. Does not the Sugar Section of the Department of Agriculture have power to relieve the farmers of Louisiana for a month or two?

Mr. ELLENDER. Of course, they could, Senator, but it would probably be postponing the agony. There is no assurance that can be given that cane will not be destroyed. If the cane is not cultivated now, it is bound to suffer in the future, and no farmer wants to invest more money today if there is a chance that the cane has to be destroyed in the future. In other words, as I pointed out a while ago, we are faced with a loss of from \$28 to \$35 an acre, besides all the work that has been done for 1 or 2 years on the land. That cane is planted. It is there. It has to be worked today and tomorrow. And if the farmer cultivates that cane, it means that he has to put out more money. And unless there is assurance now that his additional expenditure of labor and money will not go by the wayside, and this money he has to spend to cultivate the crop will not be lost, he will have no incentive. That is why I say that immediate action should be taken, because if that cane is permitted to remain in the ground uncultivated, it will deteriorate further. That is why it is imperative that help be rendered now.

As I stated to the Senate previously, and I repeat, I cannot understand how my amendment can affect the sugar-beet growers. On the contrary, as I see it, all of us would be in the same boat; this proposition simply means that the sugar-cane farmers are going to be put on the same level as the sugar-beet farmers. There will not be any difference. If the sugar-beet farmers this year produce in excess of their quota, they will have to carry that excess into next year; and if cane growers are permitted to produce sugar from this excess planting, our own carry-over is increased likewise, and we shall have to suffer next year. And overproduction in one area cannot affect the other.

Mr. THOMAS of Idaho. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. THOMAS of Idaho. Does it occur to the Senator from Louisiana that the farmers of Idaho are just as anxious about the sugar legislation as the farmers of Louisiana? We are now planting our sugar beets. We do not know how many acres of sugar beets to plant. The quota has been raised, but the processor does not know how much to contract for.

Mr. ELLENDER. But the proposition is this: That the dilemma facing you is not the law itself. It is a question of the factories you have in your area which are willing to contract with your farmers. In our case the farmers who have planted their cane in good faith have contracts with processors to grind the cane and make it into sugar, and those contracts are valid, and I repeat that it would be a crime to destroy that cane.

Mr. THOMAS of Idaho. Is it the Senator's contention that if you produce this excess sugar this year it will be carried over to next year?

Mr. ELLENDER. That is if we are blessed with normal yields, but all evidence points to a much smaller yield per acre this year. But the only persons who will be affected by that increase in production, even if we have an increase, will be the Louisiana farmers, not the farmers of the Senator's State. It will simply mean that if on this excess acreage there is produced more sugar than our marketing quota we will be

penalized by having our acreage reduced for the following year.

Mr. THOMAS of Idaho. What happens to the sugar producer is that the carry-over reduces the price. The price is now very low.

Mr. ELLENDER. Of course the price now is very low, but I cannot see how my amendment could have any detrimental effect on the price of sugar.

Mr. THOMAS of Idaho. A carry-over of sugar reduces the price, which affects the beet grower as well as the cane grower.

Mr. ELLENDER. Even though under normal conditions we should produce 50,000 tons of sugar on the excess acreage, that would not be enough to satisfy the palate of the people of this country for 48 hours; and it cannot possibly affect the market value. Our sugar experts agree to that proposition.

Mr. THOMAS of Idaho. It is the extra amount which always ruins the market.

Mr. ELLENDER. I understand; but the amount is very small, and that amount would not be placed on the market, except within our marketing quota.

Mr. THOMAS of Idaho. However, the principle is the same. This legislation has been pending all winter. Our people in the West are very much interested and very anxious to have legislation come over from the House. If the administration will cooperate, that legislation can come over in 2 or 3 days. It is ready; and when it comes to the Senate I am sure we can dispose of it. The Senator's people will not be hurt at all. But if we go ahead and accept the amendment—

Mr. ELLENDER. The Senator knows that we cannot propose sugar legislation on this side because of the tax provisions.

Mr. THOMAS of Idaho. I understand that.

Mr. ELLENDER. It must originate on the other side. If I felt in my heart that the bill would come over from the House within 30 or 40 days, I should not be alarmed. But with the opposition to the bill which comes from many sources, I fear that the bill may not come over to the Senate until May or June, which, of course, would be too late. The horse would then be dead.

Mr. President, I believe the Senate thoroughly understands the situation which confronts my people, and I am very hopeful that it will stand by me. As I said when I started this debate, even though I should stay in the Senate for the remainder of my natural life, I do not expect to offer a proposal to this body which has more merit than the pending amendment.

Mr. BROWN. Mr. President, will the Senator yield for a moment?

Mr. ELLENDER. I yield.

Mr. BROWN. I was on my feet some time ago to bring this matter up. I have been impressed with one argument which has been advanced by the Senator from Colorado [Mr. ADAMS], the Senator from Wyoming [Mr. O'MAHONEY], and others who indicate some apparent opposition to the amendment, and that is the argument that it ought to be the subject of a general consideration of the sugar question. I admit that there is some merit in that contention.

On the other hand, I recognize the very difficult problem presented by the Senator from Louisiana [Mr. ELLENDER]. I do not agree with the view that we shall not have sugar legislation in this session. As was intimated a short time ago, we cannot originate such legislation.

However, two bills are pending in the House, and I have been assured—not by the Secretary of Agriculture, but by the head of the Sugar Division in the Department of Agriculture—that the Department is desirous of having sugar legislation in one of two forms—either a general bill or a continuing resolution—with some consideration for some changes which I think should be made in section 201 of the act, both with regard to the price section and with regard to the allotment of the market between foreign producers and those in the United States. I think the principal difficulties are involved in the two questions which I have just suggested.

I notice that the chairman of the Finance Committee [Mr. HARRISON] is in the Chamber. He honored me by having me

report the sugar bill of 1937, and with my feeble ability I handled the bill on the floor. I ask the Senator from Mississippi, the chairman of the Finance Committee, whether or not in his judgment there will be any delay whatsoever in the consideration of any bill affecting the sugar situation which may come over from the House of Representatives.

Mr. HARRISON. Mr. President, will the Senator yield so that I may answer that question?

Mr. ELLENDER. I yield for that purpose.

Mr. HARRISON. Of course, I am extremely interested in the passage of legislation affecting the sugar quota. I think one of the most difficult tasks we ever had was in the passage of the original Jones-Costigan Act; and yet I think it accomplished quite as much for producers of both sugar beets and sugarcane as any legislation we have ever passed.

I am intensely interested in the measure coming over to us from the House. I shall cooperate to the limit to see that some legislation passes at this session. In this connection I will say that when the amendment was first offered by the Senator from Louisiana [Mr. ELLENDER] I was skeptical of it. In the first place, I was afraid that it would require too much time and would delay other legislation and that perhaps it was best to handle the matter in one piece of legislation.

As stated by the Senator from Louisiana, I went into an investigation of this amendment and consulted with the experts of the Agricultural Department. I was impressed with the justice of the proposed legislation. I know the Department of Agriculture favors it. Because of the emergency situation, the Department thinks it ought to be tied onto this bill. For that reason I shall vote for the amendment offered by the Senator from Louisiana. I shall vote not only for the motion to suspend the rule but also for the amendment itself.

I will say to the Senator from Michigan [Mr. BROWN], who so ably handled the past quota legislation, and to those interested from the sugar-beet area, as well as the sugarcane area, that I shall lend every cooperation toward expediting the legislation when the bill comes over from the House. I regret that there is any division between the sugar-beet people and the sugarcane people, or between them and any representative who feels sympathetic to Puerto Rico or other sugar-producing areas. The way to pass sugar legislation is through cooperation and pulling together. For that reason I regret that a fight over the amendment has arisen in the Senate.

Mr. BROWN. Mr. President, I thank the Senator for his contribution. I am certain he expresses the hope of all of us that we shall have sugar legislation at this session. I think it is absolutely essential to the continuance of the industry.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. I ask the Senator from Louisiana to yield in order that I may address an inquiry to the Senator from Mississippi [Mr. HARRISON].

Mr. ELLENDER. I yield for that purpose.

Mr. O'MAHONEY. Of course, it is very encouraging to have the announcement of the Senator from Mississippi that he will be very glad to cooperate in facilitating the passage of sugar legislation. I should expect such a statement from the Senator from Mississippi, because it can be said without question that it was his cooperation, both in 1934 and 1937, which made possible the legislation first called the Jones-Costigan Act, and the continuing act, called the Sugar Act of 1937.

That legislation has been extremely beneficial to all the elements of the sugar industry, including producers of cane and producers of sugar beets; but, unfortunately, a feeling has grown up in the country that some obstacle of some kind, not altogether clear, has arisen in the way of enactment of legislation at this session. It is impossible to put our fingers upon it, but the feeling exists.

As several Senators have already announced, ever since the beginning of this session those of us who represent the sugar-producing States have been in conference in an effort to work out some form of legislation. Several weeks ago Representative CUMMINGS, of Colorado, introduced in the House a bill to

provide for a substitute for the legislation which expires this year. As yet there has been no report on that bill.

Only a few moments ago, in the course of this debate, I went to the telephone to talk with the head of the Sugar Division to find out when a report may be expected. I find that the bill has not reached the Sugar Division for analysis. Where is the obstacle? The bill has been before the Committee on Agriculture in the House for several weeks, and no progress has been made.

I ask the Senator from Mississippi [Mr. HARRISON] whether or not there is any possibility of his advising us what we may expect with respect to early action by the Department of Agriculture and the administration in connection with a recommendation for legislation. It is perfectly obvious that we cannot legislate unless we have cooperation among all concerned, including the planters of Louisiana, with whom we have always previously cooperated, the State Department, representing the very difficult conditions which exist in Cuba—which I recognize—the processors, the refiners, and also the vast labor interests involved in this matter, the refinery workers in the United States, both in the beet-sugar refineries and in the refineries along the Atlantic seaboard.

Over and above all that, we have great areas of land in the United States which are capable of producing sugar. I see the Senator from Nebraska [Mr. NORRIS] in the Chamber. In his State new reclamation projects which are ideally suited to the production of sugar beets are now open for operation, and yet those areas may not produce sugar beets because of the marketing allotments. It is said on the floor that the Department has lifted the restrictions upon planting, but of what use is the lifting of the restrictions upon planting if the sugar to be produced may not be sold? That limitation exists. So what hope have we for early action?

Mr. HARRISON. In answer to the Senator's question, I can see no reason why sugar legislation should not be passed at this session unless those interested in it from the sugar-beet areas and from the sugarcane areas fall out among themselves. I have found that when they get together they are very effective, and usually they obtain what they want. I could not go so far as to say that I want to increase the burden upon the consumers—

Mr. O'MAHONEY. Mr. President, I must interrupt the Senator, because there never has been a time within my knowledge when the domestic producers of sugar beets or sugarcane have ever wanted to place any burden upon the consumers. That is a complete misrepresentation of the attitude of our producers. All they want is a fair price.

Mr. ELLENDER. A fair return for their crops.

Mr. O'MAHONEY. In the legislation which is now upon the statute books we agreed very gladly to the provisions which were intended to guarantee to the consumer that there should not be an excessive price. The danger to the consumer, Mr. President, arises not from anything that the domestic producers of cane or sugar beets will do. It arises from the danger that the domestic consumer in the United States will be made dependent upon supplies from foreign areas; and then, as in the past, the domestic consumer will be confronted by the danger of a greatly increased price for the product.

Mr. HARRISON. Mr. President, I understand the Senator's viewpoint, and that of the Senator from Louisiana [Mr. ELLENDER]. In former days I have had many discussions on the floor about the tariff on sugar, but I think the present arrangement of quota systems is fine. If the bill now in the House passes the House, I shall call the Finance Committee together as soon as possible and help to put through the legislation at this session.

I have had no indication as to what the administration or the Agriculture Department desire; but it is my belief—and, of course, I cannot understand why there should be a contrary viewpoint—that they would want the bill to pass. The present measure has done well, and it expires at the end of this year. I am very hopeful that the bill will pass.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Florida.



Mr. PEPPER. I have been very much interested in hearing these comments on the sugar bill; and I hope the same enthusiasm that is manifested for the passage of that bill will be entertained and expressed by Senators to see to it that the areas of this country which are capable of producing sugar for domestic consumption have an opportunity to do it. So far as the junior Senator from Florida is concerned, he will cooperate with anyone in the Senate in an effort to obtain in the coming sugar legislation a fair opportunity for those who are fitted by nature to grow sugar in this country to do so.

Mr. ELLENDER. Mr. President, I do not know that I can add more to this debate than I have up to the present time. If there is any doubt in the mind of any Senator as to the purport of this amendment of mine, I shall be glad to answer any questions on the subject. I stated on several occasions during the debate that I had reports from my State showing the injurious effect of the recent cold on the cane crop. The report that I have here comes from Mr. George Arceneaux, who is the agronomist at the United States sugarcane experiment station at Houma, La. It is headed:

REPORT ON COLD DAMAGE TO SUGARCANE ON HOUMA EXPERIMENT STATION AND SURROUNDING PLANTATIONS—PLANT CANE

Studies conducted immediately after the January freezes indicated that while the shoots had been frozen back to a depth of 1½ to 2 inches below the ground surface, very few of the plants had been destroyed.

Germination to date indicates fairly normal stands of plant cane, but the crop is from 2 to 3 weeks late. It is estimated that this disadvantage in itself will probably account for a reduction in yield of sugar per acre of from 5 to 8 percent. Actual yields to be obtained, however, will obviously depend greatly on weather conditions between now and harvest.

STUBBLE CANE

As I indicated a while ago with reference to the difference between plant cane and stubble cane, as a rule one-third of our plantings is plant cane and two-thirds is stubble. Now, I am going to read to the Senate the effect that the recent cold had on stubble cane:

Counts made immediately after the January freeze showed that from 12 to 30 percent of buds below the ground surface were dead. Weather conditions since the freeze have been on the whole unfavorable, and observations at this time indicate that an additional 3 to 5 percent of the underground buds have died.

In other words, it means that from 15 to 35 percent of the buds underground are actually dead, and, of course, cannot be revived.

From 10 to 20 percent of the buds still viable are located within a region of the old stubble piece which shows evidence of freeze injury. It is feared that with continued cold, wet weather, extensive stubble deterioration may occur, with consequent loss of many of the buds now viable.

Stubble cane is germinating very slowly, and the crop has been retarded even more than plant cane. Stubble has unquestionably been damaged more severely than plant cane, but it is considered impossible at this time to estimate accurately the probable effect in terms of percent of yield reduction. With warm, dry weather during the next 4 or 5 weeks, the resulting reduction in yield would probably not exceed 10 to 15 percent. On the other hand, should the weather continue cold and wet, we can expect exceedingly gappy stands. Under such conditions I consider it possible that the eventual yield of sugar per acre from stubble cane may be reduced as much as 20 to 30 percent.

Mr. President, from that investigation made by the United States Government sugar station in Louisiana, I am convinced that the sugar farmers of my State stand to lose from 10 to as much as 30 percent of their production; and I repeat to the Senate that even though this amendment of mine be accepted, the probabilities are that the production on this excess acreage will not equal what the normal production would have been on our proportionate-share acreage. Therefore I plead with you that this amendment will not increase our sugar surplus, and will not hurt the beet people in the least; and, as I have pointed out on many occasions during this debate, I am convinced that some of the beet people are unduly alarmed about the situation. The amendment cannot affect them; it cannot affect their sugar prices; and I urge that the Senate vote to suspend the rule so that I may offer my proposed amendment.

The VICE PRESIDENT. The question is on the motion of the Senator from Louisiana [Mr. ELLENDER] to suspend the rules in order to permit him to offer the amendment heretofore submitted by him, which will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 80, line 4, before the period, it is proposed to insert a colon and the following:

*Provided further, That no payment under the Sugar Act of 1937 with respect to the 1940 crop shall be withheld from any producer in the mainland cane-sugar area, because of the marketing (or processing) of sugarcane in excess of the proportionate share for the farm, if the acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 is not in excess of the acreage of sugarcane for sugar planted prior to January 1, 1940: Provided, however, That payments shall be made only with respect to the proportionate share acreage established for the farm under the provisions of such act, and the following deductions shall be made from such payments on account of the excess of the acreage of sugarcane grown on the farm and marketed (or processed) for sugar in the crop year 1940 over the proportionate share for the farm. For so much of such excess as does not exceed 25 acres, no deduction; for so much of such excess as exceeds 25 acres but does not exceed 125 acres, a deduction of \$5 per acre; for so much of such excess as exceeds 125 acres but does not exceed 625 acres, a deduction of \$10 per acre; for so much of such excess as exceeds 625 acres but does not exceed 1,125 acres, a deduction of \$15 per acre; for so much of excess as exceeds 1,125 acres, a deduction of \$20 per acre.*

Mr. ADAMS. Mr. President, the remark recently made by the chairman of the Finance Committee [Mr. HARRISON] is a very pertinent remark—that the sugar people should cooperate. What brings about our trouble here is failure to cooperate. One group of sugar producers come in and seek to attach to an appropriation bill a measure to meet, not the combined or cooperated needs, but one particular need.

I am convinced that we ought not to seek to attach general legislation of this kind to an appropriation bill. I think this discussion rather definitely discloses the impropriety of doing so. There has been no hearing. No testimony has been taken. We are dependent upon disputed facts on the floor of the Senate as to something which affects a great industry, and I am concerned that the sugar people shall work together.

I am not contending essentially against the situation in Louisiana. I am saying that Louisiana and Michigan and Colorado should all go before the Agricultural Committee or the Finance Committee, present their problems, and work out a bill that we can all get behind, where we will have the full statements of fact; where we will have the experts; where we will have the representatives of cane growers and the representatives of beet growers, rather than to come in and attach as a rider to an appropriation bill a partial sugar bill.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. ADAMS. Certainly.

Mr. ELLENDER. The Senator attended the conference to which the Senator from Mississippi [Mr. HARRISON] referred, when Dr. Bernhardt and several others attended?

Mr. ADAMS. I did.

Mr. ELLENDER. Does the Senator recall Dr. Bernhardt's statement that even though a sugar bill was passed by the Senate, the distress incident to the Louisiana situation could not be cured by such a bill?

Mr. ADAMS. I do not recall his saying so, but if he did say so, I do not think the statement is correct.

Mr. ELLENDER. The Senator understands that if an additional quota, let us say, is allowed to Louisiana, the quota would have to be distributed among all the farmers on a certain proportionate basis.

Mr. ADAMS. I will say to the Senator from Louisiana that in considering a sugar bill which affects the beet people and all, I am perfectly willing to have the identical amendment which the Senator is now submitting considered in connection with that bill.

Mr. ELLENDER. I appreciate that statement, Mr. President. What I fear is that it may take too long to do that. It may take 60 days or 90 days.

Mr. ADAMS. Mr. President, of course, I am a member of the Appropriations Committee. I have two interests as I

think of appropriation bills and their proper treatment representing as I do a beet-growing area. This is a problem that arose on the 27th of December of last year. If the Senator from Louisiana had seen fit to introduce a bill on the subject, it could very properly have gone through the regular course and gone through hearings. I know the Senator from Louisiana was busy; I know he met obstacles; but the opportunity is still available to the Senator to introduce the measure as an independent bill and have it go through the regular legislative process. But as a member of the Appropriations Committee, interested in that, I cannot approve the development of the practice of putting general legislation—I do not mean merely an item of legislation such as we put on from time to time, but a general bit of legislation connected with other legislation—on an appropriation bill and carrying it through.

Mr. ELLENDER. Mr. President, am I to understand the Senator from Colorado to mean that if the proposal I am now advancing to the Senate were incorporated in a separate bill, he would urge no objection to its passage? As the Senator might know, I have such a bill pending.

Mr. ADAMS. I might offer amendments to it in order to protect our beet people.

Mr. ELLENDER. Of course, the amendments would be such that the bill probably would meet the same fate that Senate bill 69 met at the hands of the House last time.

Mr. ADAMS. Not at all; no. The Senator and I are both at the mercy of the House.

Mr. ELLENDER. Yes; I understand.

Mr. ADAMS. This amendment will be at the mercy of the House when it goes across. The judgment of the House cannot be escaped by attaching the matter to an appropriation bill as an amendment.

Mr. ELLENDER. I understand that.

Mr. ADAMS. As a matter of fact, I am inclined to think the Senator will find a harsher judgment of the House in this procedure than if the matter came across in a separate bill, because I know the members of the Appropriations Committee and their disposition to fight legislation on appropriation bills. I know what they will do. They will submit this amendment to a separate vote of the House. That is an inevitable situation. It will not just go before the House voting yea or nay on the appropriation bill. Under their practice, whenever legislation comes from the Senate on an appropriation bill, it is submitted as a matter of their rule as well as a matter of course to a separate vote in the House, and a controversy arises on the floor of the House.

Mr. ELLENDER. Would not that take place, and does it not take place in cases in which the appropriation involved would be increased by virtue of such legislation?

Mr. ADAMS. Oh, no! Whenever general legislation is placed by the Senate on an appropriation bill the rules of the House require the submission of that particular amendment to a vote of the House.

Mr. ELLENDER. The Senator concedes that if this amendment should be adopted it would have a tendency to decrease the appropriation provided for sugarcane growers in Louisiana, does he not?

Mr. ADAMS. I do not think it would; no. I should think the reverse would be true; and yet that is one of the things that bothers me. The matter has not been worked out. I will say to the Senator that I do not care about the payment feature. As a matter of fact, I hope the growers of Louisiana will be liberally treated. I would rather they got more than less. As I say, I am not concerned with the payment feature. I am concerned with the quantity of sugar. My people, the representatives of the beet-sugar growers in the western country, say to me they are afraid this amendment will be detrimental not because of the increased payments but because there will be produced 60,000 tons of marketable sugar—I do not mean legally—but sugar, even though you seek to warehouse it and say, "We will not sell it," has its effect upon the market; and the beet grower is paid upon the price at which sugar sells. Roughly, the grower of beets in my State and in all the Western States gets 50 percent of what the sugar brings.

Mr. BROWN. Mr. President, will the Senator yield to me for a moment?

Mr. ADAMS. Certainly.

Mr. BROWN. I grant that the amendment which the Senator from Louisiana proposes is probably legislation.

Mr. ADAMS. Not probably, but certainly.

Mr. BROWN. It seems to me, however, that by any rule of logic, aside perhaps from the strict rules of the Appropriations Committee, when the amendment treats with the disposition of the \$46,000,000 which is provided for on page 82 of the bill, it certainly logically attaches itself to the expenditure of that money; and while it might be in violation of the strict rules of the Appropriations Committee, it certainly addresses itself to the precise subject to which this legislation addresses itself.

Mr. ADAMS. I will say to the Senator that the amendment of the Senator from Louisiana is an amendment of subdivision (c) of section 301 of the Sugar Act of 1937. It is a definite amendment of a provision of the law. That law says that benefit payments shall not be made unless there is compliance with the limitations on the production. The amendment provides that that provision of this subsection shall not apply to excess production of sugarcane in violation of the section, provided the sugarcane was planted prior to January 1, 1940.

Mr. BROWN. The Senator will admit that it relates to the \$46,675,000, which is raised by reason of a processing tax upon the very sugar which is here produced, because it disposes of that fund of money, in part, to the Louisiana cane growers. It takes from them something out of this \$46,000,000 which, were it not for this situation, they would otherwise receive.

Mr. ADAMS. No. As a matter of fact, it gives to them something which they would not get under the law as it stands. It is not a limitation upon an appropriation; it is an expansion. As I have said, I hope they will get it.

Mr. BROWN. Not an expansion of the amount of money, but of the use of the money; it does not make the amount any larger.

Mr. ADAMS. It does not make the amount any larger, but the amendment in turn provides "That no payment under the Sugar Act of 1937, with respect to the 1940 crop, shall be withheld from any producer" because he has produced sugarcane "in excess of the proportionate share for the farm." In other words, it amends the limitation of the conditional-payment provision which would prevent payments being made for the excess. It does not affect the amount of the appropriation at all; it merely makes certain people eligible for payments for which they are not eligible this moment.

Mr. BROWN. The Senator will admit that it is not totally unrelated to the \$46,000,000 about which we are talking.

Mr. ADAMS. Of course not, but I am trying to say to the Senator and others that the concern of the beet people is not over the money. Our people are concerned over the increased production of sugar. I am perfectly willing to have the Louisiana producers paid for plowing up, but what we are concerned about—and I am speaking of the advices I receive from beet growers—is that 60,000 tons would be put on the market as the result of the adoption of the amendment, which would have two effects, one being the probable lowering of the price of sugar in the American market because of increase in the supply. The Senator knows that the suspension of title II of the act resulted in something over 300,000 tons of sugar being brought into the United States from Puerto Rico.

Mr. OVERTON. Mr. President, will the Senator from Colorado yield?

Mr. ADAMS. I yield.

Mr. OVERTON. How would this amendment increase the marketing quota of the sugar of Louisiana?

Mr. ADAMS. No one said it would.

Mr. OVERTON. Then how would it affect the price of sugar produced from beets? Under the amendment, the Louisiana growers could process cane into sugar and get the benefit payments, yet they could not market the sugar in



excess of the marketing quota; so how would it affect the beet people?

Mr. ADAMS. The Senator is not conscious of the persuasiveness of the Senators from Louisiana. I am. Let us assume that Louisiana has 60,000 tons of sugar which perhaps they are not able to sell today. I have not a doubt in the world but that when the able and persuasive and eloquent Senators from Louisiana appeal to the Senate for legislation enabling their farmers to market this extra sugar which they process, because of all of these untoward circumstances, Congress will yield and the 60,000 tons will go on the market.

Mr. OVERTON. The Senator's objection is that he anticipates that at some time in the future Congress will increase the marketing quota for Louisiana.

Mr. ADAMS. No; I am not concerned about the marketing quota for Louisiana.

Mr. OVERTON. Louisiana cannot market its sugar except within the confines of the marketing quota.

Mr. ADAMS. That is correct, but Louisiana does not have a specific State-wide marketing quota. This is the practical situation which I was trying to outline when I yielded to the Senator—

Mr. OVERTON. One more question, and I will not further take up the Senator's time. I just got out of a sick bed to come here and vote on this matter. I think the Senator has gotten the wrong impression of the amendment. It cannot affect the sugar-beet market, because it does not increase the quota of Louisiana. It merely gives the right to the grower to go ahead and process sugar.

Mr. ADAMS. The theory of the Sugar Act of 1937, and the theory of the prior act, was to restrict marketing, and also to restrict production. They are so closely allied that if the sugar is produced it inevitably affects the market. By reason of the suspension of the quota by the President, a large amount of sugar came into the United States, so that there was a great deal of sugar hanging over the market; that is, there was a bit of hysteria because of the recollection of the sugar situation during the World War, and the housewives said, "We are not going to be caught this time," and they went out to the stores and began to buy hundred-pound sacks of sugar. Fearful of a speculative movement the President suspended the quota. Added to the domestic supply were the 300,000 tons from Puerto Rico, and some storage sugar which has been released. So the Department of Agriculture has fixed the marketing quota for the coming year at the lowest point at which it has ever been fixed.

The beet-sugar people produced last year or the year before 1,803,000 tons, and in the other year 1,700,000 tons, or a little over. They are restricted under the new limitation to 1,549,000 tons. In other words, the beet people are being held down to a limit due to the suspension of the quota, the same problem, in its effect, Louisiana is confronting. We are being told we cannot sell, therefore we cannot plant. In other words, we are held down more than 200,000 tons below what we have been producing. There are farms ready to produce, and factories ready to process. The farmers cannot sell to the factory, which is their only market, if the factory cannot market the sugar.

Mr. OVERTON. Louisiana is under the same limitation.

Mr. ADAMS. Being in the same situation, I think we should all act under the same law. I do not think we should start in and take out one class of farmers who are in trouble and leave the others out on the ocean without life preservers.

Mr. OVERTON. Louisiana is not trying to market any additional sugar at all.

Mr. ADAMS. It is going to produce it.

Mr. OVERTON. We merely want the farmers there to get the benefit payments under the law.

Mr. ADAMS. And produce 60,000 tons of sugar additional.

Mr. OVERTON. That may be very true; but it is to be carried over.

Mr. ADAMS. If the Senator's theory is correct, perhaps it can be carried over.

Mr. OVERTON. The farmers in the beet area are getting benefit payments on all they produce, are they not?

Mr. ADAMS. They have been, but they may not get them if they produce the same amount of sugar this year they produced last year. Under the marketing quota we would have 250,000 tons upon which we would not get benefit payments.

Mr. OVERTON. Louisiana farmers want to be paid just as the beet farmers are.

Mr. ADAMS. We are in entire accord, and the only way to accomplish that is to work it out in one bill, at one time, so that we can sit down and each take care of the other.

Mr. ELLENDER. Mr. President, will the Senator from Colorado yield to me?

Mr. ADAMS. I yield.

Mr. ELLENDER. With further reference to the appropriation under the bill, it is true that my amendment seeks to amend the present Sugar Act; but, in all events, whether the amendment shall be adopted or not, the only payments which could be made to the farmers of my State under the existing law would be on their proportionate share, and the only way by which they could obtain those payments would be by destroying the cane on the excess acreage. The Senator admits that, does he not?

Mr. ADAMS. Not eliminate them by order, as has been thought, apparently from what has been said in the discussion, by an order of the Department of Agriculture, but eliminate them in order to qualify. It has to be a voluntary action by the planters.

Mr. ELLENDER. If the planter does not destroy voluntarily, as the Senator would have it, he will be precluded from marketing the sugar, will he not?

Mr. ADAMS. Yes. The Senator is presenting an amendment to an appropriation bill seeking to have the troubles of his constituents cared for and leaving us out on a limb.

Mr. ELLENDER. I cannot agree that we would be leaving the Senator's constituents out on a limb because under the provisions of the rule which was issued on March 9 by the Department giving the beet people the right to produce and to receive payments on all of their acreage—

Mr. ADAMS. That is only true with a limitation—provided the amount they produce does not exceed the reduced beet-sugar quota.

Mr. ELLENDER. There is no limitation.

Mr. ADAMS. Oh, yes. The farmer cannot sell to the factory an additional amount of sugar beets to enable him to produce this quota. Every acre of beets they produce in excess of the amount which could be sold when reduced to sugar is simply lost.

Mr. ELLENDER. I quote from a memorandum which I hold in my hand, which states:

Official figures issued on February 21 by the Sugar Division show that the carry-over of beet sugar on January 1, 1940, was 1,356,000 tons, which is about the same as in 1938 but is almost 300,000 tons greater than in 1937, 400,000 tons greater than in 1936, and 435,000 tons greater than in 1935. Therefore the carry-over is apparently well above normal.

The Senator does admit that on this excess sugar the beet people have been paid their benefit payments?

Mr. ADAMS. Yes; but we are concerned with the next year; we are not concerned with the last year.

Mr. ELLENDER. By the same token, if the beet acreage which is planted this year in Colorado and other beet-producing States is manufactured into sugar, the Senator concedes that under the present regulation every beet farmer will be paid a benefit payment on every pound of sugar he produces.

Mr. ADAMS. No. It just depends. If they keep within the quota, they will be paid.

Mr. ELLENDER. I know; but if the beet factory grinds the beets into sugar—

Mr. ADAMS. Of course, they will not buy the beets from the farmer unless they can sell the sugar.

Mr. ELLENDER. As I interpret the ruling which I have read and placed in the RECORD—

Mr. ADAMS. I am talking about the Department of Agriculture, which, under the statute, has the right to fix the

quotas for the domestic area, and they have reduced the quota for domestic beets to 1,549,000, the lowest it has ever been.

Mr. ELLENDER. That is the marketing quota.

Mr. ADAMS. That is the marketing quota. But you cannot sell to the factories sugar beets which will produce more than the marketing quota.

Mr. ELLENDER. I do not see how the Senator can reach that conclusion when, as a matter of fact, there is on hand today 1,356,000 tons of beet sugar, which is a carry-over, and upon which he admits that benefit payments have already been made.

Mr. ADAMS. That has nothing to do with the crop that is to be raised next year.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER (Mr. CHANDLER in the chair). Does the Senator from Louisiana yield to the Senator from Wyoming?

Mr. ELLENDER. The Senator from Colorado [Mr. ADAMS] has the floor.

Mr. O'MAHONEY. In connection with the colloquy which has just been going on, I desire to call the Senator's attention to the provision of section 302 (a) of the Sugar Act, reading as follows:

The amount of sugar or liquid sugar with respect to which payments may be made shall be the amount of sugar or liquid sugar commercially recoverable, as determined by the Secretary, from the sugar beets or sugarcane grown on the farm and marketed (or processed by the producer) not in excess of the proportionate share for the farm, as determined by the Secretary.

And so forth. So that the benefit payment is clearly tied to the marketing quota, and the marketing quota, as the Senator from Colorado has so clearly pointed out, has been established, so there is no possibility of any benefit payments upon sugar that is not marketed.

Mr. ADAMS. I will add to the remarks of the Senator from Wyoming that the Sugar Act of 1937 was based on a minimum domestically produced quota of 371,715 tons, and this allocation is right at the lowest possible point that the Secretary of Agriculture could put it under the statute, and then he has put the apportionment to the sugar-producing areas down simply to make up this minimum.

If I may make a few general observations about the sugar business and the thing that causes all this difficulty, the sugar production in the United States is regarded, and has been regarded, as some kind of a stepchild. Here we are in this very bill making appropriations of hundreds of millions of dollars to aid in the disposal of surplus commodities. Here is a great commodity, of which we produce less than is required. We are producing only 28 or 29 percent of what we consume, and our trouble rises out of the fact that the Government of the United States and the Congress puts limitations on the production of this vital necessity of life.

One day they say to us, "You can only produce 420,000 tons of cane sugar in the United States. You can only produce one and one-half million tons of beet sugar." If they would do the fair thing, they would say to the people of Louisiana and to the people of Colorado, "Produce all that your fields can produce and then we will go abroad for the deficiency."

As it is, it seems as if the first consideration was being given to some foreign areas. The prevalent idea seems to be that one dollar's worth of foreign trade is worth more than a dollar's worth of domestic trade—that it is better to buy a dollar's worth of sugar from Cuba than a dollar's worth of sugar from Louisiana. Of the dollar that is sent to Cuba, perhaps 30 cents comes back. For the dollar that is spent in Louisiana, 100 cents of it is spent in the United States. Yet we are here contending with one another over the opportunity to produce of crop of which there is a deficiency in the United States.

Mr. President, we have that fundamental difficulty. It is an outrageous thing that we must contend over the right to supply that which the American people need.

Mr. ELLENDER. Mr. President, I am in thorough accord with what the Senator has just said, and in connection with his statement will he permit me to read into the RECORD from a table showing the number of sugar mills in Cuba and their

production for 1938? Senators, listen to these facts: The number of mills in Cuba aggregates 174. The number of mills that are owned and controlled by United States citizens is 67. The production of sugar from those 67 mills aggregates 55.75 percent of the entire production of the island.

Mr. President, the table shows that Cuban capital owns about 55 mills and the percentage of production of sugar on the island by Cuban-owned mills amounts to 22.2 percent.

The other mills on the island belong to citizens of Spain, Canada, England, France, and Holland. These figures show that in respect to the entire production of sugar in Cuba 55 percent of any tariff differentials that accrue to Cuba find their way back to New York.

Mr. President, I ask that this table be inserted in the RECORD at this point in connection with my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

*Sugar mills in Cuba and their production, 1938*

Country of owners	Number of mills	Production of sugar (pounds)	Percentage of production	Percent of cane ground		Acres of cane ground	
				From company-owned and operated lands	From free colonies	From company-owned and operated lands	From free colonies
United States	67	3,715,811,125	55.75	86.40	13.60	692,759.67	109,090.00
Cuban	55	1,479,616,775	22.20	71.20	28.80	251,809.33	101,808.33
Spanish	33	981,249,425	14.72	83.83	16.17	180,730.00	31,002.00
Canada	10	297,773,125	4.46	94.57	5.43	58,109.33	3,315.00
England	4	93,150,850	1.40	84.23	15.77	20,452.67	3,847.67
French	3	60,975,850	.91	97.93	2.07	6,308.33	110.33
Holland	2	37,094,200	.56	100.00	—	6,185.00	—
Total	174	6,665,671,350	100.00	—	—	1,196,354.33	249,173.33

Source: Anuario Azucarero de Cuba, 1939; compiled and edited by Cuba Economica y Financiera. Zafra de 1938; Secretaria de Agricultura—Memoria Anual. Manual of Sugar Companies for 1939; compiled and edited by Farr & Co.

Mr. ELLENDER. Mr. President, may I further interrupt the Senator?

Mr. ADAMS. Certainly.

Mr. ELLENDER. With respect to the question asked by the Senator from Wyoming a moment ago, is it not a fact that the beet producer is paid on whatever acreage is allotted to him?

Mr. ADAMS. No; he is paid on his tonnage. He is paid on his sugar basis. He is paid 60 cents per 100 pounds on his sugar basis. Is that not correct?

Mr. ELLENDER. Yes. But on the sugar, though, that is produced on his allotted acreage. Is that not true?

Mr. ADAMS. Yes.

Mr. O'MAHONEY. Mr. President, that is not exactly true.

Mr. ELLENDER. Why is it not?

Mr. O'MAHONEY. Because the law specifies that the payment shall be made not alone upon the allotted acreage, but upon the sugar on allotted acreage which is marketed or processed. And since the Secretary has definitely fixed the amount which may be marketed, the condition in the beet area is exactly the same as was just described by the colleague of the Senator from Louisiana with respect to the situation in Louisiana. The Senator says to us in justification of the amendment which he desires—and I sympathize with the Senator's position—that though fifty or sixty thousand extra tons may be produced it will not enter marketing allotment. Is not that the Senator's position?

Mr. ELLENDER. Yes.

Mr. O'MAHONEY. The same thing applies in the beet area.

Mr. ELLENDER. It will not enter the marketing for that year. But I will say to the Senator that if production of sugar in Louisiana is made on the allotted acreage, in excess of the marketing quota, the farmers of Louisiana will be paid on that to the same extent as the farmers of the Senator's State will be paid. I can show the figures to prove that the



production of sugarcane on the allotted acreage in Louisiana was far in excess of the marketing quota fixed by the Department. The sugar farmers of my State were paid on that amount. By the same token I can give the figures with reference to beets, and here they are: In 1938 the marketing allotments for the beet area amounted to 1,584,083 tons of sugar. The beet farmers produced in that year a total of 1,802,269 tons of sugar. Likewise, in 1939 the marketing allotments were 1,566,719 tons, and the beet growers produced a total of 1,753,390 tons. The beet growers received benefit payments on every pound of sugar produced in 1938 and 1939, although production in each year was considerably in excess of the Department's marketing allotments.

In other words, the way the law has been administered by the Department is that when once a given acreage is allotted to farmers, if the amount of sugar produced on that given acreage is in excess of the marketing quota, the farmer is paid on the total produced at the rate of 60 cents per hundred pounds of sugar. That is the way the act has been administered in the States. I can produce facts and figures to show that within the last 3 years the acreage in Louisiana has varied from 275,000 acres to two-hundred-and-thirty-thousand-odd acres, and that the production on that acreage was in excess of the marketing quota. Yet our farmers were paid on that excess production. The same thing has resulted in the case of the beet producers, as I have just indicated. So that when the Senator says that although the beet farmers of the Nation can produce on this allotted acreage, that their payments are relegated to the amount of sugar marketed, I think he is in error, with all due respect to him. The Sugar Division has announced, under its regulation of March 9, that the proportionate share or acreage allotment for any farm for the 1940 crop will be the acreage of sugar beets that is planted on the farm for the production of sugar and my contention is that he will be paid on all sugar manufactured.

Mr. ADAMS. Which has nothing to do with the payments. That is, they are only paid within the limits of their marketable quotas.

Mr. ELLENDER. That may result from the fact that the processor will not take the beets, but if the processor does take the beets and does reduce the beets to sugar, then the farmer will have complied with the law.

The marketing figures as I recall, for my State and for the State of Florida, are fixed at 420,000 tons.

Mr. ADAMS. Four hundred and twenty thousand one hundred and sixty-seven tons.

Mr. ELLENDER. If 500,000 tons of sugar is produced this year on the proportionate share of acreage, does the Senator from Colorado contend that the sugar producers of my State and those of the State of Florida will not be paid on that 500,000 tons?

Mr. ADAMS. Yes; they will not be paid, of course, unless the law is changed.

Mr. ELLENDER. My contention is that even with the beet producers, if the amount of acreage, which is unlimited, is planted, and it is harvested and produced into sugar by the sugar-beet factories all over the country, the Treasury will pay to each and every farmer who produces those beets at the rate of 60 cents per hundred pounds.

Mr. ADAMS. Yes; but the Senator is assuming the impossible thing that it will be processed. Of course, what we are trying to say is that the factory will not make contracts for beets which will produce sugar in excess of the marketing quota.

May I make another general observation or two, because I am anxious to have the very eloquent and ardent support of the Senator behind efforts to remedy the evils of the general situation? That is what I am concerned about.

Mr. President, we are told frequently that the people of the United States are being robbed in behalf of the sugar producers. I suppose that the tariff walls result in a tax upon the American people of anywhere from \$6,000,000,000 to \$10,000,000,000 in increased prices of what they buy.

I am familiar with the sugar-beet situation. Our people raise a ton of beets and are reasonably content if they obtain six and one-half dollars a ton. It is an expensive crop to raise. It involves the finest kind of land. The crop must be rotated for at least 2 years out of 3. It requires three or four processes—the cultivating, the planting, the thinning, and the topping, and going through the factory.

Take a crop like alfalfa, which requires merely water, and of which two or three crops a year are obtained. If you were to try to contract with the farmer for six and a half dollars a ton in advance, he would say the price was absurd. Try to contract for any of these crops of that kind, and you will find that the price paid for sugar beets is the lowest price paid for any agricultural crop.

Then go beyond that. Here is an expensive process of manufacture. When the factory ends with the sugar beet it is ready for the table, and you can buy the completed product of the beet for 5 cents a pound.

It has gone through expensive processes of cultivation and factory manufacturing and requires no cooking or further household processing. There is not a single thing that goes on the American table with respect to which there is so little spread between the cost of the product on the table and its cost of production. Think of other great crops—onions, cauliflower, cabbage, and so forth. The producers would not think of selling them at \$6.50 a ton; and yet that is all we are fighting for in the beet area. We are fighting for three-tenths of a cent a pound for a crop which costs a great deal to produce. It is an essential crop in wartime and peacetime.

Mr. LEE. Mr. President, will the Senator yield?

Mr. ADAMS. I yield.

Mr. LEE. What is the average production per acre of sugar beets?

Mr. ADAMS. Probably from 10 to 12 tons per acre, and probably 290 pounds of sugar per ton. For purposes of computation, if the Senator takes 300 pounds he will have an outside figure. I think in our State sugar beets are paid for on the basis of about 280 pounds of sugar per ton. When we are asking a little Government aid to further an industry which is an essential industry, a minority industry, we should not be confronted with opposition to its expansion. The Senator from Louisiana and others know that we have met constant opposition to the expansion of this industry. The opposition has been open.

Sugar is the only product which receives a Government benefit which more than pays its way. Some \$47,000,000 is paid out in benefit payments; and the Government, after it has collected its excise taxes, has \$20,000,000 left in the Treasury. In other words, the sugar industry, of all industries, is the only one which pays its own benefit payments.

Mr. President, I am not opposing the purpose of the Senator from Louisiana [Mr. ELLENDER]. I think we should all get together; get behind a bill to take care of the injustices to the industry and expedite it. I am very reluctant to have the sugar matter taken up piecemeal.

Mr. PEPPER. Mr. President, I have listened with much interest to the discussion which has taken place upon the amendment offered by the Senator from Louisiana [Mr. ELLENDER]. I heartily agree with the sentiment expressed by the Senator from Colorado [Mr. ADAMS] that the sugar industry in America is entitled to every consideration which can be extended to it. It is certainly vital to the welfare of our own people to be able to have a domestic source of sugar which is dependable and reliable. No portion of agriculture is entitled to more consideration at the hands of the Government than that portion devoted to the production of sugar.

Relative to the particular amendment, as I understand the facts—and I have conferred with representatives of the Department of Agriculture for corroboration of the technical aspects of the question—the amendment is a very much more harmless proposal than some of our friends fear.

The existing law provides that if a producer of sugarcane or beets plants and proposes to harvest more than the quota which is allowed to him, he thereby cuts himself off from the

privilege of enjoying benefit payments for the production in which he is engaged. Suppose that in the State of Florida, therefore, a sugar producer has a quota of 16,000 acres, and suppose that instead of confining his acreage to 16,000 acres he plants and proposes to harvest 19,000 acres, or 3,000 acres in excess of the quota allowed to him. He would not be able, by planting the excess, cultivating it, and harvesting it, to obtain any benefit payments whatever, even on his quota of 16,000 acres.

This amendment proposes to make it possible for the grower in the case I put to obtain benefit payments upon his quota acreage of 16,000 acres, by allowing the Government to impose a penalty upon him for his excess acreage. The amount of the penalty is graduated in the amendment itself. Suppose that the producer were entitled to \$400,000 in benefit payments upon his 16,000 acres. He would not receive the \$400,000 which he would have received if he had had only 16,000 acres. He would receive a lesser sum than the \$400,000, the amount to be determined by the principle laid down in the amendment. In other words, the penalty for the excess would be subtracted from the payments he would have received for his quota acreage.

It may be asked, "How does the producer come out? Would he better have conformed to his quota, or would he profit by having an acreage in excess of his quota?" In the words of the Department itself, he would have less money in benefit payments with the Ellender amendment in effect than he would have had in benefit payments had he produced only his quota acreage. The only benefit he receives is that he is not cut off entirely from receiving any benefit payments merely because his acreage happens to exceed his quota. If he has some reasonable justification for having planted, harvested, and made sugar out of the excess acreage planted, he ought not to be penalized.

So it seems to me it is only a question of determining whether or not in a proper case, when a man has a proper excuse, he shall be permitted to obtain a part of the benefit payments which he would have obtained had he confined himself to his quota acreage; but remember, Senators, that he will not receive for the excess acreage—the 19,000 acres in the case I put—as much money in benefit payments under the Ellender amendment as he would have received if he had planted only the 16,000 acres, or his quota acreage.

Why should anyone complain about that? In my State of Florida, for example, many of the sugarcane growers planted a larger acreage than might have been their quota acreage. They were therefore in a class which would probably not have received benefit payments. However, nature intervened, and a cold spell diminished their production. For the current year their producing acreage will actually be smaller than the quota acreage, so they have a perfect justification for favoring the Ellender amendment. Yet, literally and technically following the existing law, they would not be able to obtain any benefit payments at all, in spite of the fact that their harvested acreage is not in excess of their quota acreage.

What benefit, then, is to be derived from the Ellender amendment? Why favor it? I have stated one reason why we favor it. It is to make it possible for the grower who has an excess acreage not to lose all his benefit payments, as the law now contemplates, but to receive what he would have received had he conformed to his quota less the penalties which the Ellender amendment imposes.

A second advantage which he might obtain is his ability to market the production which might come from the excess acreage. But his marketing quota is not enlarged by the Ellender amendment. He has no marketing quota under the Ellender amendment that he does not have under other authority, so under the Ellender amendment he cannot possibly gain a dime by the sale of the sugar which he might produce from his excess acreage over his quota acreage.

Why should anybody say that the Ellender amendment is not a desirable or fair amendment? How can anyone else be hurt by it? Our friends who grow sugar beets do not care how much cane we grow in Florida or Louisiana. They are not affected. They do not come in competition with it unless

the cane sugar actually goes into the market; and we are not proposing by the Ellender amendment to put any cane sugar in the market, because the amount of sugar we can put in the market is limited by a marketing quota, and not by our growing quota. Therefore our sugar-beet friends are not affected by the benefit payments we received; and we are not receiving as much as we would have received if we had conformed to the quota we had. So they cannot complain, as taxpayers or consumers, that we are receiving more money than we should have received from benefit payments. They cannot complain of competition, because the Ellender amendment does not propose to enlarge our marketing quota at all. I, therefore, cannot quite follow the argument of our friends that somehow or other the beet industry is being adversely affected by the Ellender proposal.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. O'MAHONEY. I think the Senator misunderstands the position taken by those of us who come from the sugar-beet area. We are not complaining particularly about relief being granted Louisiana planters. We are more alarmed by handling the matter piecemeal. The planters in Louisiana and Florida, as well as farmers who grow sugar beets, will all suffer. Our contention is not that Louisiana should not receive relief. I should be very glad to see Louisiana receive relief.

Mr. PEPPER. Florida is similarly affected.

Mr. O'MAHONEY. Yes; but if the action is taken in this manner, we shall all suffer—Florida, Louisiana, and the sugar-beet areas as well.

We are pleading for the handling of this matter not upon the floor, where it obviously cannot be handled, but in committee. We are asking that the Department of Agriculture cooperate with us in handling the matter at the earliest possible date.

Let me say to the Senator that I am very fearful that the conditions presented to us point directly to the complete suspension of the Sugar Act, or rather, I should say, point to an intention on the part of the Department to allow the Sugar Act to fail completely. That is what I am fearful of.

Therefore I feel that we should undertake to handle this matter as we have handled it in the past, working together, because we certainly have legislation which has been beneficial to the producers of sugarcane and of sugar beets. It has been beneficial to farmers throughout the United States, and it has been altogether satisfactory to the consumer. So let not the Senator feel that we are criticizing the cane areas. Not at all. We want to cooperate with the cane areas, and we are asking the representatives of the cane areas to help us, and not to take benefits for themselves and allow us to take all the losses.

Mr. PEPPER. Mr. President, of course, the Senator knows that this amendment applies only to a peculiar situation; but it applies similarly to those who come within the class.

This amendment does not propose a new theory about sugar legislation. It does not purport to be a revision of our existing law on the subject. It simply deals with a particular situation which is a present hardship upon certain areas of the country, and it proposes to deal with it in a certain way. Our friends in the beet industry should not complain when we ask for help for ourselves, unless they as citizens have some reason to object, or unless they as beet-sugar producers have some reason to object.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair). Does the Senator from Florida further yield to the Senator from Wyoming?

Mr. PEPPER. Just a minute. So I should appreciate it if the able Senator from Wyoming would particularize any reason why he, as a citizen or as a representative of a beet-producing State, should object to the Ellender amendment.

Mr. O'MAHONEY. Mr. President, the answer, I think, is quite simple. I have already indicated it.

I hold in my hand the bill introduced by the Senator from Louisiana [Mr. ELLENDER], who is the author of this amend-



ment—a bill which he introduced in the spring of last year. This is Senate Bill 69, relating to the apportionment of shares of the sugar crop for 1939 and 1940.

As the Senator from Louisiana will acknowledge, that bill, introduced by him, was sent to the Committee on Agriculture and Forestry—not to the Committee on Finance, which has handled all the sugar legislation. It was reported out of the Committee on Agriculture and Forestry before the Department of Agriculture had made any comment at all upon the bill; and it was here upon the floor, upon the Calendar of the Senate, before any of us representing the beet-growing States had any knowledge of the fact that the bill had been introduced and had come out of the committee. It was a complete surprise to us. Then, as now, we took the position that the bill was dealing with only a fraction of a great and complicated problem; and that it was necessary, in justice to all who are interested in the sugar industry and to all who are dependent upon the sugar industry, that there should be other amendments in addition to those requested by the Senator from Louisiana.

We did not fight his bill. We did not fight his amendment. We asked only that while he was getting the benefits he desired for the cane areas we should get protection also. Therefore we tried to legislate upon the floor of the Senate and we added amendments, and the Senator from Louisiana and the Senator from Florida were good enough to cooperate with us in securing these additional amendments.

The bill was passed by the Senate on March 23, 1939. It went over to the House of Representatives, and since that moment it has been reposing in a pigeonhole in the Committee on Agriculture.

So I say to the Senator from Florida and to the Senator from Louisiana that what we fear is the failure of all legislation. The Senator has alluded to the announcement made by the Department of Agriculture just the other day, on March 9, which reads, in part, as follows:

The Sugar Division announced today that the sugar beet proportionate share—acreage allotment—for any farm for the 1940 crop will be the acreage of sugar beets planted on the farm for the production of sugar. This supersedes previous announcements regarding proportionate shares which were necessary because of early sugar-beet plantings in certain areas.

In view of unfavorable climatic conditions, such as floods in some areas and drought conditions in others, as well as other factors which affect adversely the sugar-beet crop, it is no longer expected that the 1940 crop will produce an amount of sugar which, when added to current supplies, will be more than is required to meet the continental beet area's quota and carry-over requirements.

Reading that announcement—I have not read it all—conveys to my mind only one thought, and that is that the Sugar Division of the Department of Agriculture in giving out that statement, was anticipating the complete failure of sugar legislation. That is what we are fearful of; and we are fearful that the planters of Louisiana and the planters of Florida will go down with the farmers who raise sugar beets, all together, unless we here stand together now upon the floor of the Senate and defend this industry in which we are all equally interested.

Mr. PEPPER. Mr. President, it seems that the argument of my able friend from Wyoming comes down to this: "Because we want to put some pressure on the Department of Agriculture to do something that we would like to see done in the future, we think perhaps we had better not agree to this amendment, in spite of the fact that we have no objection to the merit of this particular amendment." It comes down to this: Just because we cannot get all the amendments we would like to have upon a full consideration of this subject, we are not going to let you have an amendment that perhaps we admit is a fair and meritorious amendment.

I rather think that argument is not altogether becoming to the able Senator from Wyoming. I mean by that that the argument does not deal quite fairly with this individual amendment. We have not dealt conclusively and comprehensively with the whole farm problem here, yet we are considering a bill on agriculture.

Mr. O'MAHONEY. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wyoming?

Mr. PEPPER. Yes; I yield.

Mr. O'MAHONEY. Inasmuch as the Senator alludes to the manner or motive or circumstance under which the Senator from Wyoming presents his argument, and expresses the opinion that it is not becoming to the Senator, I will say that we are contending for the rule by which the Senate is governed. This legislation upon an appropriation bill—all legislation upon an appropriation bill—is condemned by the rules of the Senate. Will the Senator say that it is unbecoming of a Member of this body to ask that the rules be upheld?

What was the purpose of the rule? The purpose of the rule was to prevent inadequate, improper, and sometimes impossible legislation upon the floor of the Senate. There is only one way to legislate effectively, and that is by taking problems into the committees which are equipped to pass upon them.

Mr. President, I feel that the Senator from Wyoming is acting in an altogether becoming manner in attempting to sustain the rules of the Senate.

Mr. PEPPER. Mr. President, the deftness of the able Senator from Wyoming was never better illustrated than by the rapidity with which he has changed his position. Instead of opposing the Ellender amendment because he was speaking in defense of the great sugar industry of this country, about which just a few moments ago he so eloquently spoke to his colleagues, he now opposes the Ellender amendment because he is a purist for parliamentary procedure.

Mr. O'MAHONEY. The Senator does not think I have abandoned the other argument; does he?

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Wyoming?

Mr. PEPPER. I do. I think, therefore, that since the Senator has rather widely diffused the opposition that he has to this amendment, perhaps it is not as thick in any particular place as it might have been were it more minutely concentrated.

The Senator, of course, understood by my remarks that what I meant to say was that I did not think it was fair to say to the Senator from Louisiana and to those of us who have his point of view, "You cannot have your amendment adopted because we cannot at the same time have adopted all amendments on the subject which should be adopted."

Relative to whether or not the Senator from Louisiana is about to violate the rules of the Senate, let me say that the Senator from Louisiana has proceeded literally and strictly in accordance with the rules of this body. He gave notice that his amendment would be subject to a point of order. Did he not move a suspension of the rules, and that is in accordance with the rules—to give notice and move a suspension—and if he is awarded the suspension he seeks, it will take a two-thirds vote of the Senate. But I contend that the amendment of the Senator from Alabama [Mr. BANKHEAD], which was adopted to the agricultural bill in identically the same way that the Senator from Louisiana proposes to have his amendment adopted, was adopted just as much in accordance with the rules of the Senate, just as much in pursuance of legitimate parliamentary procedure, as any other amendment which has been adopted to this bill.

Mr. SCHWELLENBACH. Mr. President—

The PRESIDING OFFICER. Does the Senator from Florida yield to the Senator from Washington?

Mr. PEPPER. I do.

Mr. SCHWELLENBACH. I inquire of the Senator from Florida if he did not, on an occasion last week, very ably and eloquently argue that because we were not covering the whole question of purity in politics we should not enact the Hatch bill, just because the Senate was not willing to take up certain other additional questions in reference to the Hatch bill? And is not that in analogy with the situation today?

Mr. PEPPER. No; I will say to the able Senator from Washington that I do not think he has suggested an analogy. What the Senator from Florida complained about in regard to the Hatch bill was that it affirmatively contained an erroneous principle, and that that erroneous principle should not

be enacted into law; and I opposed the adoption of that principle. In this case I say that the amendment of the Senator from Louisiana proposes a correct principle. It proposes to relieve unfairness and hardship, and I think it is a desirable policy for Congress to adopt. Therefore I favor it.

Mr. President, the whole sugar question is not without difficulty. A great many persons think the Sugar Act is one of the best pieces of legislation this administration has proposed; and in many respects that is true. Unfortunately, it does have a characteristic which I think is not altogether desirable in American policy. That is, it tends to limit to a certain number of persons and to a certain acreage the production of a vital necessity to the people of the United States.

My State of Florida, for example, happens by nature, by climate, to be very well fitted for the production of sugarcane. A great deal of benefit has come to the sugarcane industry from experiments which have been carried on in that State, which have been made possible by Federal and State appropriations; but we have literally hundreds of thousands of acres which are ideally fitted in soil type and in climatic conditions for the production of sugarcane out of which sugar will be produced. Yet by virtue of this law which provides a quota system, and by virtue of the principle of the historical base, which is a necessary incident of the quota system, we are permitted to grow only a small percentage of the sugar which is consumed in the State of Florida alone. Many times, therefore, the producers of sugar in Florida have sought an opportunity to grow sugar even without benefit payments; and we have repeatedly contended here that it might perhaps be a desirable policy not to burden the consumer excessively with a tax which goes to the support of this industry, and remove another class of restraints for a little while, and let something like natural equilibrium come about in sugar production in this country.

There is, however, a very peculiar situation which exists. The beet industry, which exists in many of the States of the Union, is not favored in a good many respects as the sugarcane area is in Florida. They have to have a subsidy to live, and we do not. Therefore, because they have to have a subsidy to live, we have to have a quota in order to be able to produce sugar; but we from Louisiana and Florida are four Senators, and the Senate has already observed today the number and the ability of the Senators who come from the beet area.

There are at least 10 or 12 States, if I am not in error, which are interested directly in beet-sugar production, and just two States largely interested in sugarcane production. When a bill is to be written it is not the Senators from Louisiana or the Senators from Florida who are generally called into consultation and conference; it is a group of our friends from the beet States. They get together and generally decide and determine what kind of a bill we should have. About all we can do is just come along, or butt our heads up against a legislative wall. The same condition exists in the House of Representatives. Florida has 5 Representatives in the House, and the beet area has very many more than that. Our voice is scarcely heard, in the first place, and never heeded, in the second place. So a State which is capable of producing several hundred thousand tons of sugar is permitted to produce only about 60,000 tons a year. The tragedy of it is that I can see no opportunity for anyone else in Florida in the future, who is not already engaged in the production of sugar, to get into that industry. In other words, it amounts in substance to a certificate of public convenience and necessity to produce sugar to those who are already engaged in that enterprise. That is the vice of the quota system. Many times it operates to give a monopoly to one corporation or to a small group of individuals, to the absolute exclusion of other citizens who wish to engage in the enterprise of growing sugarcane. I do not know any way whereby they can get a larger opportunity to grow sugar under such a law as that which is now on the statute books.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. BYRD. I call the attention of the Senator to the fact that the list of payments made in Florida discloses that the

United States Sugar Corporation draws from the Federal Treasury \$430,000 a year, which is proof that what the Senator has said is true, that under the act as it is now operating, monopolistic production of sugar is promoted.

Mr. PEPPER. Mr. President, the situation to which the Senator has just referred has been one which has caused no little embarrassment to me, representing the State of Florida, as I do. The benefit payment of \$430,000 to the United States Sugar Corporation is, I believe—and the Senator from Virginia will correct me if I am in error—the highest amount received by any domestic sugar producer.

Mr. President, I went before the Committee on Finance of the Senate when the last sugar bill was being considered, as Senators on the floor now will attest, and I stated:

I do not favor monopoly in my State any more than I favor monopoly in any other Senator's State, and I want provision made, therefore, in this bill for new producers to get into the industry of sugarcane production.

Mr. CLARK of Idaho. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. CLARK of Idaho. The tenor of the remarks of the Senator from Florida makes our position on the amendment of the Senator from Louisiana even more emphatic. It is perfectly evident that the Senator from Florida is interested only in general sugar legislation to the extent that it can give Florida unlimited production, and that is the difficulty with which we from the beet areas have always been confronted. We have found, and the Senator from Idaho found when he was a Member of the House of Representatives, that we never did receive cooperation from the Representatives of Louisiana and Florida, and that there is only one thing in which they have been interested, so far as general legislation regarding sugar is concerned, and that is unlimited production, by which they felt they could develop and monopolize the sugar market of the country. That is why we sometimes wonder whether we will get cooperation later, in having general sugar legislation enacted, from the Senators from Florida and the Senators from Louisiana. Consequently we are very fearful of letting an amendment which has for its objective a temporary and an immediate benefit to the State of Louisiana, and perhaps to the State of Florida, being enacted under suspension of the rules in the manner proposed.

Mr. PEPPER. Mr. President, I thank the able Senator from Idaho. There are two questions involved in the discussion, of course. The first one is the question of general sugar legislation. I will say to the Senator from Idaho that I know that there are limitations to the length of time in which a natural situation can be upset, in other words, an unnatural situation be preserved. In the long run, the areas which are adapted by nature to the production of a given commodity are going to come to be the producers of that commodity. In the long run, under the handicaps of competition, those which are best favored by natural conditions will longest survive. So I know that the Senator from Idaho and the other proponents of sugar legislation do not mean, as was intimated in the argument of the Senator from Idaho, that they have to resort to sugar legislation in order to enable the beet area to keep abreast of the cane area, in competition in sugar production, because the cane area has a natural advantage.

Mr. CLARK of Idaho. If the Senator will yield further, of course, as long as we continue to give 40 percent of our entire domestic market to Cuba—and that is what is done—this difficulty will exist. If we could obtain the entire domestic market for the cane and the beet area, then I think all the problem would be solved.

Mr. PEPPER. I do not favor, and I shall not at any time favor, legislation which discriminates against an area which is fitted by nature and by nature's law for the production of sugarcane. Obviously no Senator, it would seem to me, could insist upon that legislative attitude.

When general legislation shall be proposed later I shall insist that some consideration be given, in the allotment of quotas, to ability to produce sugarcane, to fitness to produce it, and therefore fitness to produce sugar. I do not mean that



I would expect the beet industry to diminish abruptly, or perhaps at any time, whatever production it now has. It does not mean that I think that Florida or Louisiana or any other State should have a monopoly of the sugar market, but I do think that sugar legislation cannot rest, so far as the quota is concerned, upon the historical basis alone, because that ignores the essential principle of fitness by nature to produce the commodity.

Florida just happened to have gotten into sugar production later than certain other areas, but we are not willing to close the doors forever on Florida's expansion because someone else happened to get a little ahead of us in the production of sugar. That is not in accordance with the essential freedom of American institutions. Some procedure must be worked out which will allow new producers to come into the field. Here I am, a Senator from Florida, going before a Senate committee asking that some way be worked out whereby other people in Florida can produce and sell sugar, and I cannot get that done, and therefore two corporations essentially produce practically all the sugar that is produced in the State of Florida. We do not want to preserve that condition. We want to give the other fellows at least a reasonable chance to come in—not all at one time, but gradually, and in a way that is fair to all.

So I am in favor of proper sugar legislation, and I will help as best I can to secure the passage of a fair sugar bill, but I do expect that any future sugar legislation shall give due consideration to the ability of Florida to produce sugarcane in fair proportion to other areas which can produce sugar economically.

Mr. SCHWELLENBACH. In other words, the Senator from Florida takes the same attitude toward legislation which he criticizes most of us who represent beet-growing States for taking against both Louisiana and Florida.

Mr. PEPPER. I am afraid I do not get the suggestion the Senator seeks to make. I shall be glad if he will repeat it.

Mr. SCHWELLENBACH. If the Senator will read the record of his speech, I think he will find it.

Mr. PEPPER. I shall not only read the record of it but, if I find any error, I shall apologize to the Senator from Washington, or if I have been guilty of any inconsistency in logic, I shall attempt to make a proper correction.

We were engaged in a discussion of general sugar legislation, and I was expressing some views which I happened personally to entertain about general sugar legislation, which led me to a brief criticism of the existing law; to point out briefly the defects in the existing law, and to state the conclusion that I would support sugar legislation in Congress if those defects were given consideration when new legislation was proposed. I confess I see nothing in these remarks to justify my friend's suggestion.

The second aspect is whether or not this particular amendment should be proposed because of ideas we may have or theories we may entertain about the enactment of general sugar legislation. I do not think it is quite fair to the Senator from Louisiana to say that we are not going to let a good amendment be adopted, one which does not affect us, because we are going to bring some pressure on the Louisiana Senators to help us pass a sugar bill later on in the session.

The Senator from Louisiana rose a while ago and stated he would be in favor of sugar legislation. He has shown no disposition to oppose such a bill. His able colleague was here a moment ago, and I know he has shown no disposition of that character. My colleague has no disposition of that kind. We are not trying to hold any club over the head of anyone. We are certainly not threatening anyone with anything. We are merely asking that this amendment be considered on its merits, and if it is agreed to on its merits, no detriment can ensue from its passage to any Senator on this floor. So, with the statements from the Senator from Louisiana and myself—which may be taken as expressive of the sentiments of our colleagues, I believe—that we are not trying to oppose sugar legislation, I trust the pending amendment will be permitted to be considered on its merits.

## GOVERNMENT FINANCING

Mr. BYRD obtained the floor.

Mr. AUSTIN. Mr. President, I rise to suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Virginia yield for that purpose?

Mr. BYRD. If the Senator will withhold that, I desire to present something for printing in the RECORD.

Mr. AUSTIN. Very well. There are several Senators who are absent who would like to hear the Senator from Virginia, perhaps on another subject than the one he is about to discuss.

Mr. BYRD. Mr. President, in view of the suggestions which have been made that the working balance shown in the Treasury report be used in part for the payment of increased appropriations, I ask unanimous consent to have inserted in the body of the RECORD as a part of my remarks a letter received from the Secretary of the Treasury, and I ask that the clerk read the letter to the Senate.

The PRESIDING OFFICER. Without objection, the clerk will read.

The Chief Clerk read as follows:

THE SECRETARY OF THE TREASURY,  
Washington, March 20, 1940.

HON. HARRY F. BYRD,

*United States Senate, Washington, D. C.*

MY DEAR SENATOR: The following information is furnished you in compliance with your telephone request of this morning.

In the 1941 Budget submitted to the Congress in January of this year it is estimated that the Treasury's working balance on June 30, 1940, will be about \$1,011,000,000, a reduction of \$1,291,000,000 during the current fiscal year. The Treasury does not segregate its working balances in the general fund to show its obligation on any particular class of accounts, but considers its total working balance as available to meet the demands made on any of these accounts as well as to meet general and trust-fund expenditures of the Government.

In view of the large amount of demand obligations now outstanding which the Treasury may be called upon to meet, such as the checking accounts and deposits of governmental corporations, credit agencies, etc., in the aggregate amount of over \$400,000,000; the unemployment trust fund, amounting to \$1,640,000,000; special obligations issued for account of the Postal Savings System and the Federal Deposit Insurance Corporation, amounting to \$142,000,000; and outstanding United States savings bonds with a redemption value of \$2,700,000,000, it is felt that the estimated working balance of the Treasury on June 30, 1940, as contemplated by the President's Budget, will be about as low as it can be permitted to go.

Sincerely yours,

H. MORGENTHAU, JR.,  
*Secretary of the Treasury.*

Mr. BYRD. Mr. President, I am authorized by the Honorable D. W. Bell, Under Secretary of the Treasury, to say that there is included in the estimated \$1,011,000,000 working balance of the Treasury as of June 30, 1940, the item of approximately \$400,000,000 of deposits from the various Government corporations. In this instance the Federal Treasury is merely acting as a depository for the balances to the credit of these various corporations, the funds for which were not necessarily derived from appropriations. Therefore I am advised by Mr. Bell that the actual working balance, after deducting the deposits of the Government corporations, will be approximately \$600,000,000 as of June 30, 1940. This figure, I may say, Mr. President, is confirmed by the General Accounting Office.

I call especial attention to the admonition given in the letter of the Secretary of the Treasury that the estimated working balance in the Treasury on June 30, 1940, as contemplated by the President's Budget, will be about as low as it can be permitted to go. It is therefore evident, by reason of the action of the President in reducing the working balance by \$1,291,000,000 as set forth in the above letter from the Secretary of the Treasury, that it would not be prudent financing to reduce still further this working balance.

It is, of course, obvious that the purpose in reducing this working balance, as well as the recovery of \$700,000,000 from the Government corporations, is to avoid by postponement at this time action by Congress to increase the existing \$45,000,000,000 legal debt limit, which, without the two devices above-mentioned, would be necessary in order to pay

the current appropriations for the year beginning July 1, 1940.

The letter of the Secretary of the Treasury sustains my contention that the working balance cannot be further reduced to pay for new appropriations outside the Budget.

#### AGRICULTURAL APPROPRIATIONS

The Senate resumed the consideration of the bill (H. R. 8202) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1941, and for other purposes.

Mr. O'MAHONEY obtained the floor.

Mr. JOHNSON of Colorado. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from Wyoming yield to the Senator from Colorado for that purpose?

Mr. O'MAHONEY. I yield for that purpose.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Downey	La Follette	Reynolds
Ashurst	Ellender	Lee	Russell
Austin	Frazier	Lodge	Schwartz
Bailey	George	Lucas	Schwellenbach
Bankhead	Gerry	Lundeen	Sheppard
Barkley	Gibson	McCarran	Shipstead
Bilbo	Gillette	McKellar	Slattery
Bone	Green	McNary	Smathers
Bridges	Guffey	Maloney	Stewart
Brown	Gurney	Mead	Thomas, Idaho
Bulow	Hale	Miller	Thomas, Okla.
Byrd	Harrison	Minton	Thomas, Utah
Byrnes	Hatch	Murray	Tobey
Capper	Hayden	Neely	Townsend
Caraway	Herring	Norris	Tydings
Chandler	Hill	Nye	Vandenberg
Chavez	Holman	O'Mahoney	Van Nuys
Clark, Idaho	Holt	Overton	Wagner
Clark, Mo.	Hughes	Pepper	Walsh
Connally	Johnson, Calif.	Pittman	Wheeler
Danaher	Johnson, Colo.	Radcliffe	White
Donahey	King	Reed	Wiley

The PRESIDING OFFICER. Eighty-eight Senators have responded to their names. There is a quorum present.

Mr. O'MAHONEY. Mr. President, I am very happy that the very eloquent and able Senator from Florida undertook to speak upon this matter a few moments ago, and I wish that many more Senators had been in the Chamber while he was talking than were actually here, because I feel that they would have profited very much from what he had to say. Personally I believe that his argument lends great strength to the contention which is being made by some of us this afternoon that the rule against legislation upon an appropriation bill should not be waived for the purpose of dealing with one simple phase of a great national problem.

The Senator from Florida pointed out that he desired to have unlimited production of sugarcane in his State.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. The Senator from Florida may have said that, but he did not intend to say it. The Senator from Florida intended to say that in the determination of the principle by which quotas should be made you must take into consideration the ability of a section to produce sugarcane, and by implication I meant, of course, economically.

Mr. O'MAHONEY. Mr. President, I understood the Senator to say that, and I drew from it the conclusion that it meant what I said. I accept the interpretation of the Senator. His desire is to have domestic areas which are capable of producing sugarcane, produce all they are able to produce. Is that correct?

Mr. PEPPER. Mr. President, I do not want to interrupt the Senator, but I will have to qualify that statement. I mean that in the determination of the quotas for all the country, that along with other factors which must be taken into consideration, one of the factors to be considered is the ability of each area in the country to produce sugarcane, or beet sugar, economically. Naturally the Senator from Florida did not contemplate that a particular segment of the country should have a preference over the other sections pro rata or in proportion. I merely meant that in fixing the picture

giving each his quota we must not confine ourselves to historical tests alone. Along with other factors which are appropriate to be considered, we must also consider the natural ability of each area to produce sugar economically.

Mr. O'MAHONEY. It was not then the intention of the Senator to urge that the quota of sugar to be allowed to the continental area should be limited to that which now exists, and that that quota should then be divided according to the standard, including the factor which the Senator mentioned? That was not the Senator's intention, was it?

Mr. PEPPER. Mr. President, I can say briefly this, that it was the idea of the Senator from Florida that a consideration of the factors to which the Senator from Florida adverted a moment ago would give the State of Florida a larger quota than it now has, even if the domestic quota were not enlarged at all. That is the first thing. But only in a certain X quantity; that is, in a fair amount.

Mr. O'MAHONEY. But it is not the desire of the Senator to restrict the over-all quota necessarily to that which it now has?

Mr. PEPPER. The second point is that the Senator from Florida believes very strongly that an undue advantage has been given to the offshore production of sugar as against the whole domestic sugar-producing area in supplying the consumption requirements of the United States.

Mr. O'MAHONEY. I think we are in agreement. That is what I understood the Senator to mean.

Under the situation which exists, the capacity of the State of Florida to produce, and obviously the capacity of the State of Louisiana to produce, as well as the capacity of the beet-growing areas to produce, is limited under the present system, because we have historically been dependent upon offshore areas for the supply of our sugar requirements.

Under the bill which is about to go out of existence, and its predecessor, the Jones-Costigan Act, there was a substantial reduction of the amount of sugar which comes into the United States from Cuba. All of the areas, including the area of Florida, have benefited by that change. The production in the State of Florida increased from something like 21,000 tons to something over 80,000 tons under this legislation. The State of Florida and its planters were benefited so that they were able to produce more.

The point I wish to make is that the Senator from Florida [Mr. PEPPER] has clearly indicated the necessity and the desirability of solving the domestic problem of how much sugar the domestic producer shall be permitted to produce.

The Sugar Act occupies an altogether extraordinary and unusual position. It is the only agricultural act which has worked effectively and efficiently and to the benefit of the growers of agricultural crops. But more important than that is the fact that with respect to a very large area in the United States this crop is a family farm crop. It is produced by farmers who themselves own and operate their tracts. I refer to the growers of sugar beets. There are some growers of cane who own and operate their own farms. Some of them are in Louisiana. Very few of them, if any, are in Florida. The Senator from Florida [Mr. PEPPER] very properly desires to extend an opportunity to the farmers in his State to grow sugarcane in order that they may benefit from this legislation.

With that objective I am in complete accord, and I shall be happy to cooperate with the Senator in every way to bring about some expansion of the ability of individual farmers to produce their own individual crops upon their own individual land. Unfortunately that is not now the case in Florida; and, as the Senator himself mentioned during his discussion, there are only two corporations in Florida which are producing sugarcane.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. Perhaps I gave a somewhat erroneous impression. There are two sugar mills in Florida. There are a greater number of sugarcane growers. In fact, the data put into the RECORD by the Senator from Virginia [Mr. BYRD] indicate that eight producers of sugarcane received subsidies of \$10,000 or more in Florida.



Mr. O'MAHONEY. The Senator is correct. There were eight producers in the State of Florida who received benefit payments totaling \$670,644.15. Be that as it may, that fact in itself indicates exactly the problem the Senator desires to overcome, because he, like many others, recognizes the fundamental problem of the growth of farm tenancy in the United States and the expansion of corporate farming.

In Cuba, Puerto Rico, and Hawaii the producers of sugarcane are corporate producers. They are not independent enterprisers operating their own land. Certainly if there is any problem we ought to devote our attention to solving it is the problem of putting people upon their own lands to produce agricultural commodities. The importance of this question is so great that Senators ought to bear it in mind. It seems to me it has been pointed out particularly by the amendment offered by the Senator from Virginia [Mr. BYRD], which will presently be debated and voted upon in this body. His amendment is to reduce the benefit payments, to provide a limit so that no benefit payment in excess of \$5,000 may be paid to any producer. If that amendment should be passed it would reduce the benefit payments to producers of sugar in Louisiana, the 12 big corporations which produce one-half of the entire Louisiana crop. It would reduce the benefit payments to producers in Florida, who under the corporate farming plan, produce the entire crop of Florida.

I allude to this amendment to indicate—

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. The Senator did not mean to say that there are not some producers who receive benefit payments of \$5,000 and less.

Mr. O'MAHONEY. That is quite true; but I am speaking of the general picture.

I have alluded to this amendment to emphasize the fact that in this bill we are dealing with two phases of sugar legislation and to emphasize the plea which we are making that we should not deal with this matter in a piecemeal manner. If we are to suspend the rule and adopt the amendment of the Senator from Louisiana [Mr. ELLENDER] and then adopt the amendment of the Senator from Virginia [Mr. BYRD], we shall have dealt with a portion of the problem and we shall probably have undermined and destroyed the entire sugar legislation.

The difficulty about the situation which confronts us this afternoon is that it points directly to the complete destruction of sugar legislation. In the absence of the Senator from Mississippi [Mr. HARRISON], I pointed out that last March the Senate passed Senate bill 69, dealing with the extension of the Sugar Act, and that that bill, approved by the Senate, has been reposing in the Committee on Agriculture in the House ever since. It has not been taken out of the pigeon-hole. That delay of more than a year in the consideration of a measure which was intended to extend the operation of the Sugar Act naturally arouses a fear that there may be an intention to abandon all sugar legislation and to let it go by the board. If that happens, then the sugarcane-producing areas of Louisiana and Florida will suffer, like all the other producing areas in the United States. Cane in Florida and cane in Louisiana will be on exactly the same basis as sugar beets in the West.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. PEPPER. How does the Senator from Wyoming associate the Ellender amendment with such a dire result? All of us desire legislation on the sugar question in some proper way. How would the amendment of the Senator from Louisiana adversely affect the situation?

Mr. O'MAHONEY. I did not mean to give the implication that the amendment itself would do so. However, I am pointing out certain facts. A sugar bill was passed in the Senate last March and has not been acted upon in the House. A sugar bill was introduced in the House about a month ago, and it has not yet been submitted to the Department of Agriculture for a report. On March 9 the Sugar Division gave out a release with respect to sugar-beet plantings which has the effect of indicating to those of us who represent those areas

that it is in the contemplation of the Department that there may be no legislation, and that therefore there will be no necessity for paying benefits in 1941.

Mr. PEPPER. Mr. President, will the Senator yield?

Mr. O'MAHONEY. Gladly.

Mr. PEPPER. The junior Senator from Louisiana [Mr. ELLENDER] is not in the Chamber at the moment, although his able colleague [Mr. OVERTON] is here, and I am sure he can attest to the fact that the initiative on this amendment did not come from the Department.

Mr. O'MAHONEY. I understand that.

Mr. PEPPER. I understand that the Senator from Louisiana merely submitted the amendment to the Department and received the approval of the Department in principle. The Department said it was all right, and met a need. The Department is not trying to block sugar legislation, at least so far as this amendment is concerned.

Mr. O'MAHONEY. I did not mean so to imply. I am sorry if the Senator gained that impression.

However, it seems to me to be a justifiable conclusion that unless we press forward all together in defense of the legislation which obviously has been beneficial to family farmers in the United States, we are in great danger of losing the entire legislation. So we are now confronted with the question whether or not we shall attempt to defend our interests upon the floor or whether we shall do it in the orderly way and allow the legislation to be acted upon in committee. I am hoping that the opportunity may be speedily presented—and I think it will be unless we pass this amendment—for the Department of Agriculture, the representatives of the domestic producing areas, and the representatives of our Territorial possessions to get together and reach an agreement once again, as they have already done twice, for legislation which will protect all. This is one case in which it seems to me it is altogether necessary for all the producing areas in the continental United States to stand together. The best way to do that, Mr. President, is to stand by the rule of procedure in the Senate which forbids the adding of legislation to an appropriation bill.

Mr. President, there was some testimony on this bill before the Appropriations Committee which is of considerable interest in connection with the whole problem of sugar. I ask unanimous consent that excerpts from the testimony of Dr. Joshua Bernhardt, the head of the Sugar Division of the Department of Agriculture, before the Appropriations Committee may be printed in the RECORD as a part of my remarks.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

LIMITATION IN ACT ON SUGAR PRODUCED IN CONTINENTAL UNITED STATES WITH BENEFIT PAYMENTS

Dr. BERNHARDT. The applications of a number of individuals for planting or production with payments have had to be denied under the act. The act provides that payment shall be made to producers who comply with the proportionate shares; and the proportionate share is based on the quota for the area which is established under the act, plus an allowance for normal carry-over or stock. Consequently, there is a definite limitation in the act on the quantity of sugar which may be produced in continental United States with benefit of payments. Strictly speaking, there is no limitation on the right of anyone to produce sugar anywhere under the act. Any producer may produce sugar beets or sugarcane in any amount if he is contented with the payments made to him by the processor for his sugarcane or beets. However, if he desires the payments and benefits contemplated by the act, he is obligated to comply with the conditions of the act, one of which is an acreage allotment.

EFFECT OF ACT ON SUGAR IMPORTED INTO THE UNITED STATES

Senator O'MAHONEY. I think it ought to be added, Doctor, that the act has had an effect upon the amount of sugar imported into the United States. Will you please state for the record what the Cuban quota now is, and what Cuba formerly sent into the United States?

Dr. BERNHARDT. In the late 1920's Cuba supplied the United States market with approximately half of the total consumption. Senator O'MAHONEY. And that amounted to how much?

Dr. BERNHARDT. That averaged around three and one-half million tons of sugar per year. Under the act the percentage is approximately 29 percent. It has almost been cut in half, as compared with the period of the late 1920's. The quota for this year, which has just been revised, is 1,863,217 tons. That compares with a high of 3,944,000 tons of Cuban sugar imported in 1926, and a low of 3,125,000 tons in that period.

Senator O'MAHONEY. What are the comparative figures with respect to the Philippines?

Dr. BERNHARDT. Philippine importations are regulated by the terms of the Philippine Independence Act, which provides that the equivalent of approximately 980 short tons, raw value, may be admitted to the United States in 1 year, duty free.

Senator O'MAHONEY. Yes; but what was the situation prior to that?

Dr. BERNHARDT. In 1933 the record importations of Philippine sugars took place, and that year 1,248,500 tons came in.

#### EFFECT OF EXCESSIVE IMPORTATIONS FROM THE PHILIPPINES AND CUBA

Senator O'MAHONEY. In other words, excessive importations of sugar from the Philippines and from Cuba narrowed the market for domestic producers of sugar beets and sugarcane.

Dr. BERNHARDT. That is correct.

Senator O'MAHONEY. The Sugar Act had the effect of reducing the amount of sugar that comes into the United States from these offshore areas, thereby granting the continental producers a larger opportunity to raise sugar profitably.

Dr. BERNHARDT. That is correct.

Senator O'MAHONEY. But that profit could be achieved only by the imposition of the processing tax, which had the effect, by and large, of taking from the processors the excess profits which they were making by reason of the reduction of offshore quotas, and distributing that in benefit payments to the domestic farmers.

Dr. BERNHARDT. That is correct.

#### NO RESTRICTION ON AMOUNT OF SUGAR PRODUCED WITHOUT BENEFIT PAYMENT

Senator RUSSELL. Dr. Bernhardt, I was interested to hear you say that there was no restriction whatever on the amount of sugar anybody could produce in this country.

Dr. BERNHARDT. That is correct.

Senator RUSSELL. But there is a limit on those who can receive the benefit payments.

Dr. BERNHARDT. That is correct.

Senator RUSSELL. Is there no penalty on the marketing of such sugar?

Dr. BERNHARDT. When the grower produces sugarcane or sugar beets, there is no penalty on his marketing them to a processor.

#### LIMITATION ON PROCESSOR

Senator RUSSELL. How about the processor?

Dr. BERNHARDT. The processor, in turn, however, is limited in some years to a marketing allotment, whenever the Secretary finds that the amount which may be marketed in that year, or the available supply, is in excess of the quota.

Senator RUSSELL. It seems to me that would be a very effective limitation on the amount that could be produced in America, if a market could not be found for it.

Dr. BERNHARDT. In that event the total quota is broken up, after public hearing, into allotments to the various processors; in that case a situation might arise in which a processor might have to carry over sugar from one year to another.

Let us say that a processor has an allotment of 50,000 tons of sugar that he may market. His allotment may be 35,000 tons in a particular calendar year. Consequently he is obligated to carry over to the next year 15,000 tons of sugar without marketing it in the calendar year in which it was produced.

#### QUESTION AS TO GUARANTEEING MARKET

Senator RUSSELL. Do you guarantee a market for all the co-operators who plant only their quota?

Dr. BERNHARDT. You mean the growers of sugar beets and sugarcane?

Senator RUSSELL. The producers.

Dr. BERNHARDT. The growers of sugar beets or sugarcane in the continental United States have never had any difficulty marketing all the sugarcane or sugar beets they produced.

Senator RUSSELL. What is the reason, then, for the complaints? As I stated a moment ago, I am not familiar with the act. I do not know that I have ever read it. I happened to be out of the country when it was passed by the Congress. I receive many letters from those busily engaged in propaganda—I do not know how many there are, but they are very diligent. I receive quite a few letters from my State complaining about the fact that Florida is treated unjustly in the sugar matter, and that producers may not produce as much sugar down there as they would like. From what you state they produce all they please, but they would not receive the benefit payment of 60 cents a hundred pounds.

#### SITUATION IN FLORIDA

Dr. BERNHARDT. The Florida situation is somewhat as follows: Under this program, production has increased from approximately 21,000 tons of sugar prior to the program, up to 85,000 tons in the year preceding this year, the last finished crop.

Senator O'MAHONEY. In Florida?

Dr. BERNHARDT. In Florida. That is, there has been approximately a fourfold increase in their production. However, there are many people who would like to produce sugarcane. It appears to be profitable under this program, and there is much eagerness to produce. Whether or not those growers are actually equipped to produce sugarcane, and to what degree, is really very hard to say. There are some vegetable growers in Florida who have had difficulties with vegetables due to frost and other conditions.

Senator RUSSELL. They must be exceedingly well organized.

Dr. BERNHARDT. There are only two sugar companies in Florida. One of them—

Senator RUSSELL. They must be pretty well organized to be able to get around as much as they do. As a rule, an unorganized group of farmers could not get very far.

Dr. BERNHARDT. There is one large corporation which operates there, and is desirous of expanding its production.

Senator O'MAHONEY. When you speak of a corporation operating in Florida, you mean operating in the growing of the cane, do you not?

Dr. BERNHARDT. And the manufacture of the sugar. It is an integrated enterprise, a large plantation enterprise. There are some 15 independent farmers who sell cane to that company.

#### SITUATION IN LOUISIANA

Senator O'MAHONEY. Now, what is the condition with respect to the farmers in Louisiana?

Dr. BERNHARDT. In the case of Louisiana, there has been an increase in production—

Senator O'MAHONEY (interposing). No; I am talking about the number of farmers.

Dr. BERNHARDT. In Louisiana there are approximately 12,000 individual producers who are applicants for payments under the act. Approximately 40 of them are the largest plantation companies producing possibly half of the crop, but the other 11,960 growers range from 5-acre people to several hundred acres.

#### COMPARISON OF CORPORATE AND INDIVIDUAL FARMING IN BEET-SUGAR INDUSTRY

Senator O'MAHONEY. With respect to beet sugar, what is the character of that as between corporate farming and individual farming?

Dr. BERNHARDT. There are relatively few corporation enterprises in the mainland sugar-beet industry. Practically all the 70,000 growers who applied for payment in the last program were individual holdings, averaging possibly 11 or 12 acres of sugar beets.

Senator O'MAHONEY. In other words, as far as the beet-sugar industry is concerned from the agricultural point of view, it is a family-farm activity?

Dr. BERNHARDT. Yes, sir; in the main.

Senator O'MAHONEY. By far the great majority of producers and by far the greatest amount of production is from the family-size farm?

Dr. BERNHARDT. That is true, Senator. We publish each year, as you know, the list of payments of \$10,000 or over.

Senator HAYDEN. Do I understand that the reason why they are having difficulty in Florida is that the total continental United States quota must be divided by States, based upon previous production, and while there has been expansion in the beet-sugar area and in Louisiana to the extent that there has been a greater expansion there than anywhere else, based upon the prior history of growing sugar, they are caught by a State quota? Is that where the difficulty lies?

Dr. BERNHARDT. No, Senator. The real problem in Florida is that there is a very profitable enterprise there and other people want to go into that field.

Senator O'MAHONEY. This program, as Dr. Bernhardt has testified, has been so beneficial that it has resulted in a fourfold increase of the amount of sugarcane grown in Florida. Now there are others who would like to get in, too.

Senator HAYDEN. Well, why can't they?

Dr. BERNHARDT. The reason is that at the present time under the Sugar Act of 1937, every producing area has a quota.

Senator HAYDEN. It comes back to the fact that the Florida area had a quota.

Dr. BERNHARDT. That is right, except that it is not divided by States. There are no State quotas; the mainland sugarcane area has a quota in toto embracing both Florida and Louisiana. The State does not get a State quota as such, but the individual growers get an allotment of acreage.

Senator HAYDEN. Then a man that hadn't been growing sugar at all would have no quota and would have no history?

#### PROVISION FOR NEW PRODUCERS

Dr. BERNHARDT. We have made some provision under the act for new producers. The act provides specifically that in allotting acreage, i. e., in establishing "proportionate shares," as the acreage allotments are termed in the Sugar Act, the Secretary shall give consideration to new and small producers.

Mr. O'MAHONEY. Mr. President, I shall not occupy the time of the Senate further, except to express my belief that the wise course in this case is not to suspend the rule against legislation on an appropriation bill.

The PRESIDING OFFICER. The question is on the motion of the Senator from Louisiana [Mr. ELLENDER] to suspend the rule.

Mr. RUSSELL. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Caraway	Frazier	Hayden
Austin	Chandler	Gerry	Hill
Bankhead	Chavez	Gibson	Holman
Barkley	Clark, Idaho	Green	Hughes
Bilbo	Connally	Guffey	Johnson, Calif.
Brown	Danaher	Gurney	Johnson, Colo.
Bulow	Donahey	Hale	King
Byrd	Downey	Harrison	La Follette
Byrnes	Ellender	Hatch	Lee



Lodge	Norris	Schwellenbach	Tydings
McCarran	O'Mahoney	Sheppard	Vandenberg
McKellar	Overton	Shipstead	Van Nuys
McNary	Pepper	Slattery	Wagner
Mead	Pittman	Stewart	Walsh
Miller	Reed	Thomas, Idaho	White
Minton	Russell	Thomas, Utah	Wiley
Murray	Schwartz	Tobey	

The PRESIDING OFFICER. Sixty-seven Senators have answered to the roll call. A quorum is present. The question is on the motion of the Senator from Louisiana [Mr. ELLENDER].

Mr. ELLENDER. I ask for a yea-and-nay vote on my motion.

The yeas and nays were ordered.

Mr. AUSTIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Vermont will state it.

Mr. AUSTIN. I should like to know in what form the question is presented.

The PRESIDING OFFICER. The question is presented on the motion of the Senator from Louisiana to suspend clause 4 of rule XVI. The clerk will call the roll.

The legislative clerk called the roll.

Mr. McNARY. The senior Senator from Kansas [Mr. CAPPER] is unavoidably absent. If present, he would vote "nay."

Mr. CHANDLER. I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I do not know how that Senator would vote, if present, so I withhold my vote.

Mr. AUSTIN. I announce the following general pairs:

The Senator from New Jersey [Mr. BARBOUR] with the Senator from South Carolina [Mr. SMITH]. If present, the Senator from New Jersey would vote "nay." I am not informed how the Senator from South Carolina would vote.

The Senator from Ohio [Mr. TAFT] with the Senator from Montana [Mr. WHEELER]. The Senator from Ohio would vote "nay," if present. I am not advised how the Senator from Montana would vote.

Mr. McKELLAR (after having voted in the affirmative). I have a general pair with the Senator from Delaware [Mr. TOWNSEND], who seems not to be present. I transfer my pair with him to the senior Senator from Florida [Mr. ANDREWS], and will allow my vote to stand.

Mr. PEPPER. My colleague the Senator from Florida [Mr. ANDREWS] is in Florida. If present, he would vote "yea."

Mr. THOMAS of Utah. I have a general pair with the Senator from New Hampshire [Mr. BRIDGES]. I transfer that pair to the Senator from North Carolina [Mr. REYNOLDS]. I am not advised how either Senator would vote, if present. I vote "nay."

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness in his family.

The Senator from Arizona [Mr. ASHURST], the Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Washington [Mr. BONE], the Senator from Nebraska [Mr. BURKE], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Minnesota [Mr. LUNDEEN], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from Georgia [Mr. GEORGE], the Senator from Iowa [Mr. GILLETTE], the Senator from West Virginia [Mr. HOLT], the Senator from Illinois [Mr. LUCAS], the Senator from Connecticut [Mr. MALONEY], and the Senator from Oklahoma [Mr. THOMAS] are detained on business in Government departments.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

The result was announced—yeas 28, nays 38, as follows:

## YEAS—28

Bankhead	Bulow	Connally	Hayden
Barkley	Byrd	Ellender	Hill
Bilbo	Byrnes	Guffey	Hughes
Brown	Caraway	Harrison	Lee

McKellar	Minton	Russell	Van Nuys
Mead	Overton	Sheppard	Wagner
Miller	Pepper	Stewart	Wiley

## NAYS—38

Adams	Green	McCarran	Slattery
Austin	Gurney	McNary	Thomas, Idaho
Chavez	Hale	Murray	Thomas, Utah
Clark, Idaho	Hatch	Norris	Tobey
Danaher	Holman	O'Mahoney	Tydings
Donahay	Johnson, Calif.	Pittman	Vandenberg
Downey	Johnson, Colo.	Reed	Walsh
Frazier	King	Schwartz	White
Gerry	La Follette	Schwellenbach	
Gibson	Lodge	Shipstead	

## NOT VOTING—30

Andrews	Chandler	Lucas	Smith
Ashurst	Clark, Mo.	Lundeen	Taft
Bailey	Davis	Maloney	Thomas, Okla.
Barbour	George	Neely	Townsend
Bone	Gillette	Nye	Truman
Bridges	Glass	Radcliffe	Wheeler
Burke	Herring	Reynolds	
Capper	Holt	Smathers	

The PRESIDING OFFICER. On this question the yeas are 28, the nays are 38. Two-thirds of those present having failed to vote in the affirmative, the motion is lost.

Mr. BYRD. Mr. President, I offer the amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The LEGISLATIVE CLERK. On page 82, line 14, before the period, it is proposed to insert a colon and the following:

*Provided further,* That no part of the amount herein appropriated shall be available for making total conditional payments in excess of \$5,000 to any one person, firm, partnership, or corporation in connection with the 1940 sugar program.

Mr. BYRD obtained the floor.

Mr. RUSSELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Georgia?

Mr. BYRD. I do.

Mr. RUSSELL. I have discussed this amendment with a number of Senators who are interested and who had approached me to ascertain whether or not, as the representative of the committee reporting the bill, I would make a point of order against the amendment.

My first intention was to make the point of order against the amendment, because I do not think it has any business in this bill. It is, in effect, repealing the Sugar Act. After discussion with the Parliamentarian of the Senate, however, and after examining the precedents in such cases, I am convinced that a point of order could not properly lie against the amendment. I therefore shall not urge the point of order.

I make this statement in order that any other Senator who may desire to make the point of order against the amendment will have an opportunity to do so.

Mr. BYRD. Mr. President, I do not profess to have an expert knowledge of all the intricacies and complexities of sugar legislation; but I do wish to call to the attention of the Senate what I believe to be the very exorbitant and excessive benefits now being paid under what is known as the sugar program.

On March 20 I requested insertion in the CONGRESSIONAL RECORD, pages 3156 and 3157, of a list of payments which have been made under the sugar program, as furnished me by Mr. R. M. Evans, of the Department of Agriculture. I find that the largest amount received by any firm or individual was paid in Puerto Rico to a firm by the name of Luce & Co., receiving \$665,211.20.

Mr. LEE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oklahoma?

Mr. BYRD. I yield.

Mr. LEE. Is that a soil-conservation payment or a benefit payment under the A. A. A.?

Mr. BYRD. That is a benefit payment under the sugar program; but, in addition to the amount I have just mentioned, the regular soil-conservation payments can be made to all of those who are also receiving these benefit payments under the sugar program.

Mr. LEE. In what year was that? Does the table show?

Mr. BYRD. That was the last year available—the growing season of 1937—but I am advised by Mr. Evans that there has been no substantial change in these payments since that time.

Mr. LEE. We now have a law which puts a ceiling of \$10,000 on payments to any one farmer. I presume that was before the \$10,000 law took effect. Does the Senator know whether or not that is so?

Mr. BYRD. The ceiling of \$10,000 does not apply to these particular payments, and it is my purpose to modify my amendment so that the same limitation which applies to the ordinary operator under the soil-conservation program shall apply to these payments.

Mr. LEE. I am in sympathy with the Senator's efforts.

Mr. BYRD. To make it clear, I will say again to the Senator that these payments are now being made. While these records are for 1937, there has been no substantial change in the annual payments.

Mr. RUSSELL. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator.

Mr. RUSSELL. I merely wish to make clear what the Senator from Virginia has already stated, that the limit of \$10,000 referred to by the Senator from Oklahoma applies only to soil-conservation payments and to parity payments. Payments under the Sugar Act are made under independent legislation, and are in nowise related to the soil-conservation payments.

Mr. BYRD. Mr. President, before I yield further, I wish to say that I do not agree with the Senator from Georgia that they are in nowise related. They are made on the same principle on which the soil-conservation payments are made.

Mr. RUSSELL. I was referring to the funds from which the payments are made. Of course, they do not come from the same funds, because the Senator is seeking to apply his amendment solely to the sugar payments.

Mr. BYRD. The Senator is correct. But they are made by direct payments from the United States Treasury, just as all other payments are made.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. O'MAHONEY. There is a very essential difference between the two cases, because payments under the Soil Conservation Act and payments under the parity-payment appropriation are not covered into the Treasury by any tax. The payments under the Sugar Act are all covered by a tax. So that the sugar industry raises the funds by which the benefit payments are made.

Mr. BYRD. I shall in due time answer the Senator from Wyoming. Revenue from this tax goes into the General Treasury, and it is a tax, as I shall attempt to show, which is passed on to the American consumer and is not paid by the sugar producer.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. TYDINGS. The Senator indicates that he will later cover the point about which I was about to ask him. A few days ago the Delegate from Hawaii in the House of Representatives came over and presented a long list of companies in Hawaii, showing the amount of benefits they receive under the law, and the amount of taxes they pay under the law. As I recall the table, with one exception they all pay in more than they receive back. That led me to ask him how that happened, and he said the tax was primarily levied as a matter of regulation. I asked him whether it was not passed on to the consumer, not paid by the producers. He said that in effect and practice in the Hawaiian Islands it was not passed on to the consumer; that it was paid by the growers and producers.

If it is a tax for regulation purposes only, and is returned to the people who do pay it for regulatory purposes, I am concerned to know whether or not we would create an additional injustice were we to cut the amount to \$10,000, if my premise be sound; and I hope the Senator will come to that.

Mr. BYRD. If the statement made by the gentleman from Hawaii is correct, that they pay more than they receive out

of it, he should be willing to have the tax repealed, and likewise have the benefit-payment provision repealed.

Mr. TYDINGS. I think he would be, but I think what he is concerned about is the prospect of having the tax remain in effect, and to compel the companies to pay \$150,000, under the assumption that they are to get it back, and then find that they are to get only \$10,000 back, which would be an outlay of taxes for no purpose at all, when the purpose of the tax, as I understand, is for regulation of the sugar industry only, and not as a matter of general revenue.

Mr. REED. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. REED. I desired to offer a suggestion to the Senator from Virginia touching the point raised by the Senator from Maryland. I talked with the Sugar Division of the Department of Agriculture this morning as to where this tax finally is laid. It is a tax of one-half cent a pound collected from the processor. The Sugar Division of the Department of Agriculture informed me this morning that normally this tax was passed on to the consumer, that there might be conditions of trade at certain times when the tax would possibly pass back to the producer, but that that was not a normal condition.

Let me add, Mr. President, with the permission of the Senator from Virginia—because I have to go to a conference-committee meeting at 3:30—that I am in entire accord with the Senator from Virginia. I make the distinction in my mind between this limitation and a limitation which is suggested to be imposed upon the so-called basic crops of which we have an exportable surplus. On the one hand there is to be a limit on tobacco, rice, wheat, cotton, and corn. If the desire is to restrict production, the large producer should be included.

With regard to the matter before us, the United States produces less than 30 percent of the sugar which it consumes. That puts sugar in a different category. We can consume all the cane sugar and all the beet sugar we raise or can possibly raise in the United States, and then we have to import the rest we need. I can see no possible justification for assessing the consumers of sugar in the United States for the benefit of growers whose refunds, as has been already mentioned by the Senator from Virginia, go as high as \$665,000. That is an intolerable condition. I think the Senator from Virginia is entitled to the thanks of the Senate and of the country for bringing these facts to the attention of the Senate, and I thank the Senator from Virginia for yielding to me.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. BYRD. I yield.

Mr. TYDINGS. I may say to the Senator, because I basically am sympathetic with his amendment, that my only concern is that there is a matter of dispute as to whether or not the grower and producer pays the tax or whether the ultimate consumer pays it. The probable truth of the matter is that they both pay some part of it. If it is levied not for revenue purposes but to regulate industry, and the industry is regulated on the basis of the tax laid, and we object to these refunds, then in all logic we should repeal the tax, because if it is true, as it has been presented to me, that the producers pay the tax, and it is only for purposes of regulation, and they are entitled to a refund of the tax when they have complied with the law, if that is the sole reason for its being, then it seems to me that we should not only cut down the benefit payment to \$10,000 but we should repeal the tax altogether.

To conclude, there cannot be a real reason for levying a tax on food other than for regulation purposes. There cannot be any sound reason for levying a tax on something which every man needs unless it is for the purpose of regulation. That was the thought when it was put into the law.

My only concern is that Hawaii has no representative in this body, nor has Puerto Rico, and as I happen to be the chairman of the Committee on Territories and Insular Affairs, I am very much concerned lest we do them an unintentional injustice. I should like to have the facts brought out clearly and in bold relief so that there will be no mistake as we cast our votes in this matter.



Mr. BROWN. Mr. President, will the Senator from Virginia yield?

Mr. BYRD. I yield.

Mr. BROWN. One of the most difficult things for Members of the Senate to do is to attempt to defend large payments of the character brought to our notice. I am glad the Senator from Maryland mentioned the subject, and I am also glad the Senator from Kansas referred to it.

The purpose of the processing tax in effect is this: The tax is levied upon the manufacturing process of making sugar. The purpose of it is to transfer to the producer, the farmer, or the sugarcane grower—whether he be a small farmer, as he is in Michigan, Colorado, or Wyoming, or a large farmer, as he is in Hawaii, Puerto Rico, and the Virgin Islands—the purpose is to transfer 60 cents a hundred to the producer, and take it out of the manufacturer or the processor. A tax of 53½ cents a hundred is levied on refined sugar; a tax of 50 cents a hundred is levied on raw sugar. When we consider that there are 107 pounds of raw sugar in a hundred pounds of refined sugar, that works out to practically the same tax.

Whether the tax is shifted onto the consumer or not would be an easy question to answer if it were not for the complicated quota and tariff system, but because that system exists, and because we very definitely limit the amount of sugar which can come into the United States from this vast reservoir in Cuba, the Secretary of Agriculture is able, within reasonable limits, to fix the price of sugar. I say that that price would be substantially the same, whether there was a processing tax or not.

Mr. BYRD. May I interrupt the Senator there?

Mr. BROWN. Certainly.

Mr. BYRD. The Secretary of Agriculture thinks this tax is being passed on to the consumer.

Mr. BROWN. I do not agree with the Senator.

Mr. BYRD. I talked with officials of the Department of Agriculture this morning and they said it did, and I have here a letter addressed to the Senator from Michigan which indicates that the Secretary believes that to be the case.

Mr. BROWN. There is no question but that the tariff passes a large burden on to the American consumer in the entire sugar field; but I am not talking about that.

Mr. BYRD. Is the Senator from Michigan prepared to say that the Secretary of Agriculture does not think this tax is passed on?

Mr. BROWN. I will read what he says, if the Senator will pardon me. The Secretary of Agriculture says:

One is likely to assume that excise taxes increase prices under all conditions, but an excise tax on sugar within certain limits under the quota system is one of the exceptions.

Those are the exact words of the Secretary.

The Bureau of Agricultural Economics, in a report on this bill, said, giving the same reason I gave a few moments ago:

Since the total quota for sugar was completely filled each year, the quota system definitely limited the quantity of sugar made available for sale in the United States.

In other words, we have not a free market for sugar; we have a "quota-ized" market for sugar. There is not free competition. There is Government regulation.

Consumers would pay only a given price, an aggregate amount for such a quantity, depending upon the existing state of demand, which is largely influenced by consumer purchasing power. Therefore—

And this is the Department of Agriculture speaking—

the tax did not affect the retail price in any way over any appreciable period of time, and so could not have been passed on to the consumer.

Since the tax is not borne by consumers or by refiners or by distributors, it apparently is, according to their view, borne by the producer of cane sugar. Let me prove that to the Senator from Virginia from another angle.

Mr. BYRD. If the Senator will permit me, I should like to read to the Senate, at this point, a letter written by Secretary Wallace to the Senator from Michigan, dated April 6, 1938, which is in conflict with the statement which has just been read. Secretary Wallace said in this letter:

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I know that you will also appreciate the difficulty from the standpoint of the public interest in finding adequate justification for a policy of charging American consumers higher prices for sugar. In my letter to Senator Bulkley, referred to above, attention was called to the fact that "it is estimated that at current prices American consumers are obliged to pay more than \$350,000,000 per annum in excess of the value, at world prices, of their annual sugar supply (without allowance for the estimated net revenue of approximately \$47,000,000 represented by the difference between disbursements under the Sugar Act of 1937 and receipts from the tariff and the 50-cent tax on sugar, or for the possible increase in world price that might result from changed conditions). This is equivalent to a tax of approximately \$2.70 per capita on a population of 129,000,000 persons. It means on the average a levy of more than \$10 per family, including that one-third of the Nation which is ill-nourished, and it represents an amount of purchasing power equal to more than 50 quarts of milk and 50 loaves of bread for each family in the United States."

By that statement the Secretary of Agriculture meant that those three processes—one, the tariff; two, the quota; and, three, this tax—have increased the burden upon the people of the United States in the purchase of sugar by \$350,000,000, and I confirmed that this morning by calling up the Department of Agriculture and was told that that was what the Secretary intended to say.

Mr. BROWN. Mr. President, there is no question, as I said, that the general situation with regard to sugar is one which is highly expensive to the American consumer. I want to be perfectly frank about that. It is not the time now to go into the arguments that could be gone into relative to the importance of preserving this system in the American sugar market, but does the Senator think that the Secretary of Agriculture would favor this sugar legislation, as he does favor it, if he objected to the payments to which the Senator is now objecting?

Mr. BYRD. I cannot say what the Secretary may favor, but this letter certainly indicates that he believes that a burden of \$350,000,000 has been placed upon the American consuming public, first, by the tariff; second, by the quota system; and, third, by this taxation.

Mr. BROWN. Let me ask the Senator from Virginia if it is a burden? We had no sugar-processing tax from 1909 to 1913. The price of sugar then was \$5.95 a hundred. In 1935 we put a processing tax on, and the price of sugar was \$5.70 a hundred. In 1936 the price was \$5.60 a hundred. In 1938, the first year under the present act, the price of sugar was \$5.30 a hundred. And at the present time it is \$5.40 a hundred.

The entire record of the price of sugar is contrary to the statement that the Senator from Virginia makes.

Will the Senator pardon me a moment longer? In the 10-year average in the period that we call the "gay nineties" the price of sugar was \$5.74 a hundred. I want Senators to get this.

That was in the period 1891 to 1900, the 10-year period. In the 10 years from 1929 to 1938 the average price of sugar was \$5.61 a hundred, or a decrease of 2.26 percent. Every other important item in the list of food products—butter, lard, flour, potatoes, milk, eggs, cornmeal, bacon, pork chops, round steak, and ham—have increased in the last 10 years over that 10-year period.

Mr. BYRD. Let me interrupt the Senator at this point. This particular act became effective on September 1, 1937. At that time the price of hogs was \$10.55 a hundred. Now it is \$4.97 a hundred. At that time the price of cattle was \$7.54 a hundred and now it is \$6.84 a hundred. Then the price of corn was 93.9 cents per bushel and now it is 84.1 cents a bushel. Then the price of wheat was 93 cents a bushel and now it is 84 cents a bushel.

Showing that all those commodities have declined since September 1937, when this act went into effect, but sugar has remained stationary and has been protected from a decline by the quota system and by the tariff, and the consumers of America have, therefore, in my judgment, paid this extra tax.

Mr. BROWN. To finish the figures that I gave the Senator, we have had a general increase in all agricultural prices that I have named except sugar.

Mr. BYRD. That is not true, if the Senator will pardon me, as compared with this period of—

Mr. BROWN. I am speaking of the 10-year period.

Mr. BYRD. I am talking of the month that this act went into effect. That is the time with which to make the comparison.

Mr. BROWN. The Senator knows, if he knows anything about sugar at all, that there was no essential difference between the Jones-Costigan Act, which was in effect, I believe, in 1934 and 1935, for a 2-year period, and the Sugar Act of 1937. They were practically identical.

Mr. President, I ask unanimous consent that a table giving a comparison between retail prices today and the "gay nineties" be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The table is as follows:

*Retail prices today compared to the "gay nineties"*

	Average retail price in United States		Percent decrease (-) or increase (+)
	10 years from 1891 to 1900	10 years from 1929 to 1938	
Refined sugar per pound.....	\$0.0574	\$0.0561	-2.26
Butter per pound.....	.2575	.3759	+45.98
Lard per pound.....	.0953	.1432	+50.26
Flour per one-eighth barrel.....	.6382	1.0782	+68.94
Potatoes per peck.....	.2229	.3825	+71.60
Milk per quart.....	.0677	.1217	+79.76
Eggs per dozen.....	.2067	.3727	+80.31
Hens per pound.....	.1331	.3128	+135.01
Corn meal per pound.....	.0190	.0468	+146.32
Bacon per pound.....	.1323	.3597	+171.88
Pork chops per pound.....	.1115	.3083	+176.50
Round steak per pound.....	.1254	.3519	+180.62
Ham per pound.....	.1549	.4550	+193.74

Mr. BYRD. Mr. President, will the Senator permit me to finish my preliminary remarks, because I first wish to bring out some of these large contributions. Then, I should like to make my statement with respect to the taxation matter, and the Senator can then interrupt me.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me at this point?

Mr. BYRD. I should like to finish my preliminary statement first.

The PRESIDING OFFICER. The Senator from Virginia declines to yield.

Mr. TYDINGS. Mr. President, will the Senator yield for a suggestion which would save some debate?

Mr. BYRD. I yield.

Mr. TYDINGS. I hope that the Senator reads the payments that each concern will get, that he will also read simultaneously the payment of tax that each concern has made, so we can get the rounded picture.

Mr. BYRD. I am sorry I do not have that information.

Mr. BROWN. I have it here. That is what I interrupted to cover.

Mr. BYRD. The Senator can place that information in the RECORD when I have completed my argument.

The next largest payment was made to the Fajardo Sugar Growers' Association, \$565,000.

The third largest payment was made to the United States Sugar Corporation, Florida, \$430,000.

The Hawaiian Commercial & Sugar Co. obtained \$340,000; the Ewa Plantation Co., \$283,000; the Oahu Sugar Co., \$262,000; the Waialua Agricultural Corporation, \$253,000; the Central Coloso, \$149,000; the Central Vannina, Inc., \$102,000; and Rubert Hermanos, Inc., \$163,000.

In Hawaii, for example, there were 36 firms, corporations, and individuals obtaining more than \$10,000, with an average payment in excess of \$200,000; \$200,000 was the average received by these producers of sugar in Hawaii receiving more than \$10,000.

In Puerto Rico the average was \$60,000. With the exception of Florida, in America the average was far less. In some instances it was \$10,000 to \$15,000. The only large payment made in this country was \$430,000 to the United States Sugar Corporation in the State of Florida. This emphasizes another evil of this plan, namely, that it is

tending to monopolistic control. Here is a great corporation in Florida, referred to by the Senator from Florida [Mr. PEPPER], that receives practically all the large appropriation that was made for Florida for this sugar payment.

Mr. ADAMS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. ADAMS. My State, Colorado, is the largest sugar-producing State. What is the average there?

Mr. BYRD. Colorado does not get one single payment in excess of \$10,000. No Colorado payment is included in this list. There are some payments in California. California, for example, has 49 payments above \$10,000, with an average of about \$15,000. Louisiana has 60 payments above \$10,000, with an average of about \$30,000.

Mr. BILBO. Mr. President, will the Senator yield to me before he leaves that point?

Mr. BYRD. I yield.

Mr. BILBO. Has the Senator the number of recipients of these payments in the smaller brackets? How many producers are there that are being taken care of under this program?

Mr. BYRD. I asked the Secretary of Agriculture only for those receiving more than \$10,000.

Mr. BILBO. The Senator simply obtained the names of those in the higher brackets?

Mr. BYRD. Yes.

Mr. BANKHEAD. Mr. President, will the Senator yield to me for a question?

Mr. BYRD. I yield.

Mr. BANKHEAD. Suppose the Senator's amendment is adopted, who will receive the money that is cut off?

Mr. BYRD. It stays in the General Treasury.

Mr. President, it seems to me this whole argument revolves around this point: Does this tax, which is paid by the processors of sugar, constitute a reduction from their income, or is the tax passed on in the normal process of business to the American consumer? And, Mr. President, I wish to address myself to that point.

The Secretary of Agriculture, by the letter that I have read to the Senate, evidently is of the opinion that these three things—namely, the tariff, the quota, and this tax—have increased the burden upon the American consuming public in the purchase of sugar, to the extent of \$350,000,000 each year, because he said so in his letter.

Mr. President, I do not know of any excise tax—and this is in the nature of an excise tax—I do not know of any tax of this character that cannot under certain conditions be passed on to the consumer, unless an attempt is made to fix definitely the price of the product that is sold.

What determines the price of an agricultural product? It is determined by the law of supply and demand. We all know that. I have been in the farming business for more than 30 years selling agricultural products. I know, for example, that in the production of apples, one year we can have 30,000,000 barrels of apples and obtain a low price, and in another year we can have a 30,000,000-barrel crop of apples and obtain a higher price. Why? Because the demand is affected by the purchasing power of the people, by the general prosperity that exists when that particular commodity is sold.

Mr. BROWN. Mr. President, will the Senator yield at that point?

Mr. BYRD. I yield.

Mr. BROWN. The proposition that the Senator just made is exactly correct. If the law of supply and demand controls the price, and there were no artificial legal barriers to that price, the Senator would be right. But the Senator evidently has not read section 201 of the Sugar Act, which I will say, if the Senator will permit me, in a general way—and I will read it in a moment—provides that the importations from this great reservoir of Cuba shall be increased in amount whenever the Secretary determines, in the interest of the consumer, that the price is too high. When the situation is the other way, and the price appears to be too low, the Secretary may cut off and reduce its importation.



Let me read the vital part of section 201 to the Senator:

In making such determinations—

That is, the amount of sugar that shall come in—

the Secretary shall use as a basis the quantity of direct-consumption sugar distributed for consumption, as indicated by official statistics of the Department of Agriculture, during the 12-month period ending October 31 next preceding the calendar year for which the determination is being made, and shall make allowances for a deficiency or surplus in inventories of sugar, and changes in consumption, as computed from statistics published by agencies of the Federal Government with respect to inventories of sugar, population, and demand conditions; and in order that the regulation of commerce provided for under this act shall not result in excessive prices to consumers, the Secretary may make such additional allowances as he may deem necessary in the amount of sugar determined to be needed to meet the requirements of consumers, so that the supply of sugar made available under this act shall not result in average prices to consumers in excess of those necessary to maintain the domestic sugar industry as a whole, and the amounts of such additional allowances shall be such that in no event will the amount of the total supply be less than the quantity of sugar required to give consumers of sugar in the continental United States a per capita consumption equal to that of the average of the 2-year period 1935-36.

In effect, in that technical language it provides that the Secretary shall raise or lower these importations so that the price shall not be too high and shall not be too low. I know of no product in the United States with respect to which there is such definite hard and fixed control over price as there is in the sugar situation.

The business—within the limitations fixed by the statute—the price, and I might say the fate of the sugar industry are in the hands of the Secretary of Agriculture. We have no free market for sugar. We have a restricted market. We have a restricted business, in which the Secretary has practically complete control of price.

Mr. BYRD. Mr. President, in my judgment, the statement of the Senator from Michigan confirms my argument. If we have restricted production and importation of sugar, the other question, which the Secretary cannot control, is the purchasing power of the people. The law says there must not be an excessive price of sugar. Nobody would consider excessive a price for sugar sufficient to cover payments to sugar producers averaging from 30 to 60 cents a hundred, or approximately half a cent a pound. Sugar might go up half a cent a pound without the Secretary of Agriculture feeling justified in increasing the quotas which come into this country and lowering the price of sugar.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BYRD. Mr. President, I wish to be courteous to the Senator, but I have been interrupted to a considerable extent, and I should like to make an argument with some continuity.

I say again, Mr. President, that the Senator from Michigan [Mr. BROWN], in calling attention to the average prices of other agricultural commodities over a 10-year period, confirms my argument. Hog prices have gone down to one-half of what they were in September 1937, when this act became operative. Cattle prices have gone down substantially. Corn and wheat prices have gone down, and the prices of practically all agricultural products, except sugar, have gone down. Why is it not true, then, that the tax which was imposed upon the sugar producers in 1937 was absorbed by those who purchased the sugar, the great American public?

Mr. President, when we quote the Secretary of Agriculture as favoring this act, favoring the quota system, and favoring a tariff system, we make him say in effect he would charge the American people \$350,000,000 more for sugar than they should be charged. I read the letter which was sent to the Senator from Michigan [Mr. BROWN] in which it is stated that these three things are imposing on the American people each year a burden of \$350,000,000 more than should be paid on the basis of world prices for this great necessity of our existence.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. BYRD. I have yielded very frequently, and I should like the privilege of concluding my statement. I shall be through very shortly, and the Senator may then interrupt me or take the floor.

Mr. President, I know of no processing tax that cannot be passed on to the consumer if business conditions justify it, and if there is sufficient purchasing power on the part of those who must purchase the particular article to justify it, or if the article is sufficiently necessary to existence to compel people to purchase it no matter at what price it is offered.

Consider the cigarette tax, about which I happen to know something. That is in the nature of an excise or processing tax. It is passed on directly to the consumer in every instance. Five hundred and eighty million dollars of tobacco taxes are being collected each year by the Federal Government. Ten percent of the total gross income of the Government is in the form of tobacco taxation. That amount is twice as much as all the money which the farmers who produce tobacco receive. It would be an absurdity to say that those farmers pay for the processing tax which is collected directly from the manufacturers and indirectly from the public.

The same thing applies to gasoline taxes. All of us who have participated in State administration know about gasoline taxes. When I was Governor of Virginia, the first substantial gasoline tax of 3 cents a gallon was imposed. Immediately the price of gasoline to the people was increased 3 cents a gallon. I had no objection to that because it was intended that the consumers should pay that tax.

There is no way in which protection can be given to the American public against having the tax passed on to them unless the price of sugar is definitely fixed and determined by legislative act. Then we must consider whether sugar prices should decline as the prices of other agricultural products decline. I have the records to show that the price of sugar has not declined in the degree that prices of other agricultural products have dropped. The prices of other agricultural products have substantially declined, but the price of sugar today is approximately what it was in 1937, when the act became effective.

Mr. LEE. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. LEE. The difference between the tax which is collected on gasoline, to which the Senator from Virginia refers, and the tax which is being collected on cigarettes is that the gasoline tax goes into the Public Treasury and is used, in turn, for all the people—all the consumers. However, the tax on sugar is channeled right back into the pockets of the growers of sugar and is not distributed to the consumers generally.

Mr. BYRD. I realize the distinction. However, the tax on sugar goes into the General Treasury. It is not an earmarked tax. It is not a segregated tax. It goes into the General Treasury and it is paid out by general appropriations.

Mr. LEE. In the form of the big payments to which the Senator has referred.

Mr. BYRD. The payments practically absorb the total receipts from the taxation.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. BARKLEY. On that point, when the gasoline tax is paid by the consumer, of course the consumer knows precisely what he is paying in the way of a tax. If the tax is 5 cents, it is so posted at all the gasoline stations.

Mr. BYRD. Not necessarily so.

Mr. BARKLEY. Not necessarily; but as a matter of practice the gas price is usually stated as so much, and the tax as so much. At any rate, everybody knows what the tax is and what he is paying. The same thing is true of cigarettes. When one buys a package of cigarettes, he knows that he is paying a tax of 6 cents.

Mr. BYRD. I venture to say that not 1 percent of the American people know that they are paying a 6-cent tax when they purchase a package of cigarettes.

Mr. BARKLEY. How is anyone to know, when he buys sugar, whether or not he is paying a tax, or how much he is paying?

Mr. BYRD. There is no way to know it, except that everybody who knows anything about business operations knows

that when a processing tax is placed upon a product the effort is made to pass the tax on to the consumer, and the effort usually is successful.

Mr. BARKLEY. Let me ask a question which bothers me in regard to the amendment of the Senator. Does the statute under which sugar quotas are made constitute a contract between the Government and the producers?

Mr. BYRD. There is nothing in the act to indicate that the Secretary of Agriculture has any right to make a contract. I am told, upon inquiry at the Department of Agriculture, that not a single contract has been signed by the Secretary of Agriculture with respect to these payments.

Mr. BARKLEY. Does the act itself constitute a contract if the producers of sugar comply with it? Is the Government morally obligated, until there is a change in the basic law, to go ahead and comply with the terms of the act of 1937?

Mr. BYRD. The Senator can judge that moral obligation as well as I can. I can find nothing in the act which obligates the Government in the form of a contract.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. TYDINGS. Assume that the Senator is correct in his statement that the tax is passed on to the ultimate consumer. The process of correction which he proposes, namely, to pay not more than \$10,000 to any producer, would not cure the evil. It seems to me that if his premise be sound, his amendment would only mitigate the evil by reducing the payment. If his premise be sound, the only way to correct the injustice would be to wipe out the tax altogether.

Mr. BYRD. I am perfectly willing to vote to wipe it out; but that question is not before the Senate. There is before the Senate a bill appropriating a certain number of millions of dollars to pay these benefit payments.

Mr. BARKLEY. Mr. President, will the Senator again yield?

Mr. BYRD. I yield.

Mr. BARKLEY. I am asking purely for information, because I do not know much about the details of the sugar business. The tax is being levied, and the Senator's amendment does not in any way deal with the tax; but if a limitation of \$10,000, or any other sum less than would be received under the law as it now exists were imposed, what would become of the surplus money which would be left in the Treasury? Would it be available for general purposes?

Mr. BYRD. Of course, it would be available for general purposes. It goes into the general fund, as does any other tax.

Mr. BARKLEY. But it was collected, theoretically, for the purpose of making these payments.

Mr. BYRD. Theoretically it was collected for the purpose of making these payments, but it is not earmarked in any way. As the Senator knows, that is a matter of legislation and would be subject to a point of order in connection with this particular bill.

Mr. O'MAHONEY. Mr. President, will the Senator now yield to me?

Mr. BYRD. Just a moment. What the Senator is now asked to vote upon is approval of the annual appropriation for this particular purpose.

I now yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I thought that the answer to the question of the Senator from Kentucky [Mr. BARKLEY] might well be made at this point and that the terms of the law might well be cleared up in the mind of the Senator from Virginia [Mr. BYRD].

The Senator from Kentucky inquired whether or not there was a contract, or what amounts to a contract, between the producers and the Government. The Senator from Virginia responded that he was advised by the Department of Agriculture that not a single contract had been signed between a producer and the Department. That answer, of course, is perfectly correct. However, the contractual obligation which has been meant by those of us who are speaking about this phase of the matter is not contained in any written contract.

It is contained in the law which provides for these payments. Section 301 is the first section of title III, which is labeled "Conditional Payment Provisions." In other words, all the payments are made upon condition. Section 301 begins:

The Secretary is authorized to make payments on the following conditions with respect to sugar or liquid sugar commercially recoverable from sugar beets or sugarcane grown on a farm for the extraction of sugar or liquid sugar.

Then follow subparagraphs (a), (b), (c), (d), and (e). Next follows section 302, with subparagraphs; then sections 303, 304, 305, 306, and 307, all expressing the terms which the producers must meet to qualify for the payments.

I say this, Mr. President, as a matter of fairness. I quite agree in principle with the argument which the Senator from Virginia is making. In 1937, when the Sugar Act was under consideration, I introduced and had printed and laid on the table an amendment which would have limited all benefit payments to corporations to \$50,000, intending to reach exactly the same condition which the Senator has in mind. I was persuaded by those who were in consultation with me not to present that amendment because it might tend to destroy the general beneficial purposes of the legislation. Instead we wrote into the bill a provision which is to be found in section 304 (c), which provides for a graduated scale-down.

The condition which is presented to us is that the producers have in good faith carried out the conditions which were laid upon them in the act; and it seems to me that in these circumstances it would be improper for us to change the compensation which they are to receive for carrying out the conditions until we legislate on a new bill. The matter could then properly be brought up and given the most serious consideration.

Mr. BYRD. Mr. President, with respect to the soil-conservation payments to the farmers of America, the same condition existed as that to which the Senator from Wyoming has referred. Certain things were set forth in the act which the farmer was supposed to do before he received any soil-conservation payments. Restriction of his acreage, the use of certain legumes, and other things were set forth in the act and in the regulations of the Department of Agriculture. Yet what did Congress do in that respect? As the Senate knows, when the law was first passed there was no restriction upon the payment to corporations or individuals of any sum whatsoever for soil-conservation payments. As a result, the insurance companies of this country obtained tremendous benefit payments. The Metropolitan Life Insurance Co. received \$257,000 in 1 year. The Equitable Life Assurance Society received \$208,000 in 1 year. But what was done in that case? Congress passed a law providing that no farmer or corporation operating under the soil-conservation program could receive over \$10,000; and the House of Representatives has just recently passed a bill which shortly will be before the Senate reducing those payments to \$5,000.

I have been a strong supporter of the soil-conservation program. I think it is one of the most constructive acts this administration has undertaken for the benefit of the farmer; but I think the value of the act lies in its application to the smaller farmers. I speak as one who happens to be one of the larger farmers, and who has never asked for a single dollar from the Federal Government in any way, shape, or form. Although I operate 4,000 acres of land under cultivation, I have never received a soil-conservation payment. I have never sold any of my products to the Government—apples are purchased under the surplus-commodities program. I think the benefits of the Soil Conservation Act should be to the smaller farmer, because larger farmers have facilities for marketing which the smaller farmers do not have, and when this bill comes from the House of Representatives to the Senate I intend to ask that the \$5,000 limit be reduced. I do not think any farmer should receive more than \$2,500 in soil-conservation payments, so perhaps larger amounts may be given to the smaller farmers, those who have not the facilities to market their products, and who could benefit much more.



So I do not think a great deal of argument can be made along the line suggested by the Senator from Wyoming [Mr. O'MAHONEY].

No contract at all is involved here, so far as I can see. There is nothing signed on the part of the Secretary of Agriculture, and so far as I can see, there is no obligation upon the Federal Government to continue indefinitely the payment of these subsidies, even though the tax may be paid.

Mr. LEE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Oklahoma?

Mr. BYRD. I yield.

Mr. LEE. I am in accord with the Senator in trying to help the little farmer. The Senate passed an amendment to the original A. A. A. Farm Act limiting to \$300 the payments to any one farmer. The House changed that, and the result was a \$10,000 limitation. At that time the figures showed that 96 percent of the farmers of the United States drew less than \$100. The same figures that show one life-insurance company receiving \$256,000 show that 3,700,000 farmers in the United States received an average of \$75 each.

Evidently, from the figures just presented by the Senator from Virginia, the producers of cane sugar are corporation or plantation farmers; for he presented no figures at all showing that any beet-sugar producer received any of those large payments. The beet-sugar farmer is a farmer in the typical sense.

I believe we should put a limitation on these payments to the big-scale operator, because he is farming on a corporation, syndicated basis. His cost of production is lower. He can buy and sell in large quantities. He can save on freight rates. He has all of those advantages that the little unit farmer does not have. We are trying to legislate to help the man who needs it; and I am in sympathy with the amendment of the Senator from Virginia.

Mr. BYRD. I thank the Senator.

Mr. NORRIS. Mr. President—

The PRESIDING OFFICER. Does the Senator from Virginia yield to the Senator from Nebraska?

Mr. BYRD. I yield.

Mr. NORRIS. Before the Senator leaves that subject I should like to ask him a question.

I agree 100 percent with the Senator from Virginia that the payment of these fabulous sums of money to corporations probably never was thought of by Congress, and is unjustified. However, this question arises in my mind:

This is an appropriation bill. The Senator's amendment, as I understand it—I have not heard it read—would simply make it impossible for a larger payment than \$10,000 to be made.

Mr. BYRD. I will say to the Senator that the present amendment provides a limitation of \$5,000, but I intend to modify it and make the amount \$10,000.

Mr. NORRIS. I understood that the Senator had that intention, and I am wondering why he proposes to do it. It seems to me that \$5,000 is enough.

Mr. BYRD. The reason I propose to do it, if the Senator will permit me, is that such is the amount now authorized under the domestic conservation program. I hope it will be reduced to \$5,000 and still further reduced.

Mr. NORRIS. I understand that it has been reduced, however.

Mr. BYRD. The House has passed a bill reducing it, but the Senate has not acted upon the bill. What I am attempting to do is to put these foreign beneficiaries on a basis equal to that fixed for the American farmer.

Mr. NORRIS. Suppose the House makes that change, and we make this change to \$10,000. Then the amounts will be unequal again, just the reverse of what they now are.

Mr. BYRD. I will say to the Senator, however, that reduction from \$660,000 to \$10,000 would be a vast improvement.

Mr. NORRIS. Oh, yes; I do not dispute that fact; but I think we ought to have both of them.

Mr. BYRD. I agree with the Senator; but I cannot predict—and I do not think the Senator from Nebraska can pre-

dict—what the Senate of the United States will do about any bill before it.

Mr. NORRIS. But if we are going to reduce the amount at all, could not that be used in the House as an argument to reduce the amount in that bill to \$5,000?

Mr. BYRD. I have so much confidence in the Senator from Nebraska that I am going to leave my amendment as it is, with the understanding that if the amendment is defeated I shall modify it so as to provide for a larger sum, because I think we should take any reduction that can be secured in these colossal payments.

Mr. NORRIS. The question, however, which I wanted to ask the Senator is this: Is it true that these amounts have already been earned by these various corporations under the law? Have they, in the face of the law that we have passed without any limitation in it, gone on and produced the crop; and are they, therefore, in the condition suggested by the Senator from Wyoming of a contractual relation, the contract being based on the law itself instead of a written contract?

That is the only thing that bothers me in hesitating to support the Senator's amendment. If we are obligated to pay these sums of money, I think we ought to pay them, even though I consider them unjust and unfair.

Mr. BYRD. I agree with the Senator; and if he or any other Member of the Senate can work out an amendment that will protect that situation, I shall be delighted to accept it. I have no desire whatever to do any injustice to anyone if a contract has actually been entered into.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. BYRD. I yield to the Senator from Maryland.

Mr. TYDINGS. Of course, the Senator cannot deal with the law itself in an appropriation bill; but I am going to ask him a question on the subject while we have this matter under debate, so that I may have the matter in mind should the Sugar Act itself again come up.

Assuming that the Senate agrees to the Senator's amendment to reduce these payments to not more than five or ten thousand dollars, as the case may be, and the basic Sugar Act remains the same, what will be the effect on the price of sugar to the consumer if we leave the basic act as it is and cut down the benefit payments in line with the Senator's amendment?

Mr. BYRD. I will say to the Senator that even if there is no reduction in the price of sugar the amount that is going into the Treasury can be used to pay other expenses of the Government.

Mr. TYDINGS. That is correct; but if the Senator will yield, I do not think he got my question.

I concede that the Treasury will have more money by withholding payment of all sums over \$10,000, but I am wondering, therefore, whether we ought to keep this tax on sugar when we do not need to keep it on sugar. Why should we not give the consumer the advantage of that, if this tax now is being passed on to him, and is a part of the purchase price? Does the Senator think my premise is right?

Mr. BYRD. I do. I am very much in favor of repealing the tax.

Mr. BARKLEY. Mr. President, will the Senator yield for a question at that point?

Mr. BYRD. Yes.

Mr. BARKLEY. The same question bothers me that bothers the Senator from Nebraska, as I indicated a while ago. Is it true or is it not true—and Senators who are interested in the production of sugar may answer the question—that the tax levied on sugar is based upon and for the purpose of making possible the payment of these benefits? Is it true that the tax was levied for the purpose of enabling the Government to pay these benefits and for no other purpose?

Mr. BYRD. I imagine that that was certainly the original purpose of the tax.

Mr. BARKLEY. Now this question arises in my mind: Having taxed the entire production of sugar for the purpose of raising the money to pay these benefits, provided the producers of sugar comply with the law—which I assume they

have done, and are thereby, under the law, entitled to it—can the Government in good faith withdraw the payments and still continue to collect the tax, assuming that the producers have earned and will continue to earn under the law the amount they get, so long as it is the law, and the tax is raised?

Mr. TYDINGS. Mr. President, will the Senator allow me to read the law itself?

Mr. BARKLEY. I should feel much freer to vote on an amendment like this on the Sugar Act itself when it is taken up again; but the situation is somewhat different on an amendment to an appropriation bill. However big and unjustifiable in morals these payments may be, they are based on a law that we have enacted. We are responsible to these concerns for the law which says to them, "If you do certain things, you are going to draw certain benefits," and those benefits are drawn in proportion to the amount of their production.

Mr. TYDINGS. Mr. President, will the Senator yield at that point?

Mr. BARKLEY. I have not the floor.

Mr. BYRD. I yield to the Senator from Maryland.

Mr. TYDINGS. In answer to the Senator's question—it is not a complete answer, because I have not the entire Sugar Act—but on page 82 of the bill which is now pending, in line 10, the Senator will find the following provision:

That conditional payments—

And that is what these are—

in connection with the 1940 sugar program shall not be made if, by proclamation under section 509 of said act, title II or title III shall have been suspended and shall remain suspended until July 1, 1940.

Assuming that the Secretary of Agriculture were to act and make his proclamation before July 1, 1940, in my opinion none of these conditional payments would have to be made, if the act means what it says.

Mr. BARKLEY. Of course, that is in pursuance of the act itself, which authorizes him to make the suspension.

Mr. TYDINGS. That is correct.

Mr. BARKLEY. But it is entirely in the discretion and judgment of the Secretary of Agriculture as to whether he shall make the suspension of the operation of the act itself prior to July 1, 1940.

Mr. TYDINGS. The point I made was that there would not be any contractual relation if he were to make his proclamation prior to July 1, 1940.

Mr. BARKLEY. Suppose he does not make that proclamation?

Mr. TYDINGS. Well, we ought to know whether the whole situation has the valve turned on or off.

Mr. NORRIS. Mr. President, will the Senator yield right at that point?

Mr. BYRD. I yield to the Senator from Nebraska.

Mr. NORRIS. What the Senator from Maryland has read clears up the matter in my mind very much. This beet and cane sugar, as applied to the appropriation bill before us, is the crop of 1940?

Mr. TYDINGS. That is correct.

Mr. NORRIS. If we pass this appropriation, there is ample time, no advantage will be taken of anybody. To my mind, the language which has been read makes it clear that we have a right to adopt the Senator's amendment, if we want to do so, without any violation of contract or obligation.

Mr. TYDINGS. Absolutely; the Senator is correct.

Mr. BYRD. Mr. President, I do not desire to take any more of the time of the Senate. I think, by all means, we should reduce these exorbitant payments. I can see no hardship that would result. If there is any contract which in any way is violated, I should be the first one seeking to protect the honor and credit of the United States Government.

The PRESIDING OFFICER. May the Chair ask the Senator from Virginia in what form his amendment is presented? There was some conversation pro and con about the figures in the amendment.

Mr. BYRD. The Senator from Virginia desires the amendment voted upon first on the basis of \$5,000.

Mr. RUSSELL. Mr. President, I know very little about the details of the sugar industry. I am sure that I have shared the shock sustained by a great many Members of the Senate as a result of the revelations of the Senator from Virginia as to the very large amounts that have been paid some of the producers of sugar. I have undertaken to make some little investigation of this matter. While I think the subject matter of the amendment proposed by the Senator from Virginia certainly is a proper one for legislation by Congress, I have reached the conclusion that it would be unwise and unjust for us to undertake to legislate in this manner in this bill.

Mr. President, in the first place, the chief hardship which would be worked by the amendment offered by the Senator from Virginia would be upon those engaged in the production of "offshore" sugar, those who produce sugar in Puerto Rico and in Hawaii, and who have no representative in the Senate of the United States to give us all the details as to the effect this amendment would have upon the agricultural economy of those islands. I hold no brief for corporate interests. I have been critical of corporate farming.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BYRD. I think the most powerful lobby in Washington today is the sugar lobby.

Mr. RUSSELL. I have no doubt of that, though I have no knowledge of it. I have never favored any of the sugar legislation now being discussed. I have heard one of the most powerful lobbies in Washington is the sugar lobby, but I do not think the Senator will believe that I am speaking for the sugar lobby.

Mr. BYRD. I am very sure of that.

Mr. RUSSELL. They have not lobbied with me. The only person who has mentioned this amendment to me in any way has been the Delegate from Hawaii in the House of Representatives, who was elected by the people of Hawaii, and who is the only person in Washington who speaks authoritatively for the 460,000 people who live under the American flag in the Hawaiian Islands. Certainly, considering the fact that those people have no representation here, we should lean backwards rather than do them an injury.

If the so-called Sugar Act were permanent legislation, the Senate might be justified in proceeding to debate the amendment suggested by the Senator from Virginia, but I wish to point out that the present sugar law will die on December 31 of this year, so that this legislation is ineffective after that date. The Senate will have an opportunity at this session of Congress to go into this very matter in connection with permanent legislation which will be proposed to extend the operation of the Sugar Act.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. BYRD. After this appropriation is once made, will it not be effective for the year beginning July 1, 1940?

Mr. RUSSELL. It might be.

Mr. BYRD. In other words, even though we might change the Sugar Act later, this appropriation for the next fiscal year would still be paid, and these enormous benefits would be provided for the next year.

Mr. RUSSELL. I do not dispute that statement, but I think the payments are made this year.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. NORRIS. It seems to me that if we adopt the amendment offered by the Senator from Virginia we run less risk of violating what someone may claim to be a contractual relationship arising under the law than we would if we waited.

Mr. RUSSELL. That may be true. My remarks are not related to that thought.

Mr. NORRIS. Because if we wait until the regular sugar bill comes before us 30 or 40 days from now, then they probably will have gone so far that there will be something in this claim.



Mr. RUSSELL. That may be correct.

Mr. NORRIS. But if we do it now, it will be before the season will open, and it seems to me no one could complain.

Mr. RUSSELL. I have no interest whatever in the matter; as I stated a moment ago, the only man who has discussed this question with me at all has been the Delegate from Hawaii (Mr. KING), who did come over from the House and discuss with me the amendment offered by the Senator from Virginia. But I do know that there are other conditions attached to these payments than the one affecting the taking of land out of production. The Secretary of Agriculture has almost complete charge of the operation of these corporate farms by virtue of the sugar law, as I understand it. He will withhold payment to these corporations unless certain wages are paid to those who are engaged on the sugar plantations. I have been informed that the highest wages paid farm labor under the American flag are those paid the employees on the sugar plantations in Hawaii. In those islands perhaps there are more automobiles owned per capita than in any State of the Union, and the same applies to radios, because the Secretary of Agriculture has required the plantation operators to pay very substantial wages. I think the average is something like \$1.90 a day for the farm laborer who works in the field on the sugar plantations. The chief complaints I heard when I was in Hawaii last fall were from plantation owners, who criticized the Secretary for his requirements as compared with the conditions imposed elsewhere.

Sugar is a 3-year crop in Hawaii. If the law expires this year, these producers, be they corporate or be they individuals, will have been required to pay these high wages for 2 years on the assumption that these sugar benefits would be received this year. The act will expire this year, and, speaking for myself, I do not think it should be renewed. It causes confusion, and certainly these large payments are difficult to justify. Since Congress is to go into this matter in the future, it should not permit by subsequent legislation any such payments as those to be paid to any corporation, or any individual, for that matter, because they are out of all proportion. But we are dealing with a problem in which those who are vitally affected have had no representative to tell us the effect this amendment would have. The people of Hawaii have not been heard here, the people of Puerto Rico have not been heard here, and I am merely undertaking to convey to the Senate the statements which were made to me by the Delegate from Hawaii to the House of Representatives. I do not believe that in simple justice I should do less than that.

Mr. BARKLEY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BARKLEY. The Senator stated a moment ago that in Hawaii sugar is a 3-year crop.

Mr. RUSSELL. Yes.

Mr. BARKLEY. That is, they plant the cane, and do not have to plant it again for 3 years.

Mr. RUSSELL. That is as I understand it. I have no personal knowledge about it, but that is the information that has been given to me.

Mr. BARKLEY. Is that true as to Puerto Rico?

Mr. RUSSELL. I do not know. I have not talked with the Delegate from Puerto Rico.

Mr. BARKLEY. It is my understanding it is true as to Puerto Rico.

Mr. RUSSELL. I think so.

Mr. BARKLEY. If that be true, would it not affect cane already planted under the authority of law, and with the understanding that the law would be complied with and continued until next December?

Mr. RUSSELL. It would. Land has been taken out of cultivation for 2 years, and other lands have been cultivated for 2 years, under wages fixed by the Secretary of Agriculture, because of these benefit payments, under a law which confers on him the power to fix the wages, and now, after this year's crop is practically made, the Senate of the United States is asked to come in and saw off the payments on the strength

of receiving which these people have undoubtedly made expenditures.

Mr. BARKLEY. So that the withdrawal of land from cultivation has been accomplished on the basis of the act, and the shifting of the crop from one acreage to another has been based on that also.

Mr. RUSSELL. That is true.

Mr. PITTMAN. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. PITTMAN. I must confess my slight knowledge in regard to sugar legislation; it is not a subject which would interest my State very much. But I should like to have an answer to this question: Are these funds to pay benefits during the year 1940? Is there the authority in the legislation to utilize the tax receipts for the payment of benefits in 1940?

Mr. RUSSELL. I cannot answer that question. I do not know a great deal about the Sugar Act. I understand they apply to 1940, for the act expires this year.

Mr. PITTMAN. I am trying to get the information from someone.

Mr. O'MAHONEY. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. O'MAHONEY. I should be glad to answer the question. The appropriation is made to pay the benefits to be earned on the harvesting of the 1940 crop.

Mr. PITTMAN. That answers that question. Then I will ask another. Does any law authorize the Secretary of Agriculture to suspend these payments by proclamation prior to July 1?

Mr. O'MAHONEY. The provision of the appropriation bill to which allusion was made by the Senator from Maryland, found on page 82, beginning in line 10, is as follows:

Conditional payments in connection with the 1940 sugar program shall not be made if, by proclamation under section 509 of said act, title 2 or title 3 shall have been suspended and shall remain suspended until July 1, 1940.

That provision was written into the bill in the House, because the President, on the 11th of September last, when there appeared to be a runaway market in sugar as the result of the war, suspended the provisions of title 2 and title 3—namely, the quota provision and the conditional-payment provision. So that to place any confidence in that saving clause in the pending appropriation bill is merely to console ourselves with the thought that, if the quota system is abandoned and the benefit-payment system is abandoned by suspension through proclamation by the President, then no payment shall be made under this act.

Mr. PITTMAN. The information I am seeking—and I think I have it inferentially from the Senator—is this: Has the President the right under the law to suspend these payments?

Mr. O'MAHONEY. The President has this right. I will read it to the Senator:

Whenever the President finds and proclaims that a national economic or other emergency exists with respect to sugar or liquid sugar, he shall by proclamation suspend the operation of title II or title III above, which he determines, on the basis of such findings, should be suspended, and thereafter the operation of any such title shall continue in suspense until the President finds and proclaims that the facts which occasioned such suspension no longer exist. The Secretary shall make such investigations and reports thereon to the President as may be necessary to aid him in carrying out the provisions of this section.

Obviously that is intended merely to give the President the power in an emergency to suspend the quota provisions of the law which restrict importations into the United States and restrict domestic production.

Mr. PITTMAN. Does the law which the Senator has read cover the payment of these benefits?

Mr. O'MAHONEY. Yes. Title III is the title which carries the conditional-payments provision.

Mr. PITTMAN. Then all I have to say about it is that those who undertook to take a contract or who planted crops

did it with full knowledge that the payments might be suspended. They certainly had no contractual relations; and if there was a contractual relation, the contract was subject to the condition that it might be terminated by proclamation of the President.

Mr. O'MAHONEY. In a national emergency or other economic crisis.

Mr. PITTMAN. That does not have very much force and effect. They have no contract at all. They were put on notice that the payments might be terminated by a proclamation. If the President has the right under the law to make that proclamation, certainly Congress, who gave him that authority, has authority to indicate that this is the time to make such a proclamation.

Mr. PEPPER. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. PEPPER. It seems to me the able Senator from Nevada overlooks the fact that the suspension referred to by the Senator from Wyoming is a suspension of the whole law, the quota system, the limitation on marketing, and everything, whereas the Senator from Virginia is not proposing to suspend the operation of the whole law; he is merely proposing to strike down the benefit payments and allow the quota system to remain in effect, if I make myself clear. The benefits to be derived by the producer from the suspension of the law would be that he would be able to make a sale in an open market, presumably without limitation, and there would not be any limitation on the quantity he might produce. The whole law is suspended; it is contemplated in the section the Senator from Wyoming read.

Mr. PITTMAN. Am I to understand that the law does not allow the President to suspend the collection of these taxes on processing or to suspend the benefit payments without the whole law being repealed?

Mr. PEPPER. The Senator is right; it is not possible to suspend one part of the law without suspending the whole thing.

Mr. BYRD. Mr. President, will the Senator from Georgia yield?

Mr. RUSSELL. I yield.

Mr. BYRD. The Senator from Florida certainly is wrong about that. On page 82, if the Senator from Nevada will refer to it, specific authority is given in the following language:

Conditional payments in connection with the 1940 sugar program shall not be made if, by a proclamation under section 509 of said act, title 2 or title 3 shall have been suspended and shall remain suspended until July 1, 1940.

Mr. PITTMAN. That is as I understood it.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Georgia yield; and if so, to whom?

Mr. RUSSELL. I decline to yield at this time. I desire to make just a brief comment, then I will yield the floor.

I certainly have no special interest in this matter. I advised the Senate when I started my remarks that I knew little about the details of the Sugar Act. It so happens that I was away from Washington at the time it was under consideration in this body.

I am only interested in seeing justice done.

I do feel that the Senate should not precipitately, in the last year of the act, after permitting these payments to pass for 2 years, when the act will expire by its own terms the last day of December of this year, seek to legislate on this matter with knowledge of only half the facts. We are told that abnormally large payments are being made in some instances, but the people who are most vitally affected have had no one to explain their case to the Senate, and to raise his voice to show what if anything has been done to earn these payments. There are certainly two sides of the case, and we have only one before us. This matter should go before a committee for a hearing to develop all of the facts. It should not be decided in this way.

We are dealing principally with Hawaii and Puerto Rico, two Territorial possessions of the United States which do not

have the status of States, which do not have representatives here, even though they have much larger populations than many of the States which do have two Members representing them in this body. I think the Senate should go very slow, even though there is down here in Washington a vicious lobby, and not say, based solely on the statement that these large payments have been made, with no other information whatever before us, that we are going to proceed to cut these payments off, when undoubtedly many American citizens have proceeded in good faith for 2 years to comply with the requirements made by the Department of Agriculture, expecting to earn these payments this year.

Mr. President, I really do not care very seriously what the Senate does. But in view of the fact that I was charged with the responsibility, I felt that I should let the Senate know that there is another side to this question that has not yet been presented to the Senate, that of those who have proceeded for 2 years to do the work and to pay higher wages predicated on the assumption that the Government would make these payments to them.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. In connection with the question asked by the Senator from Nevada as to whether the suspension by the President, which he might inaugurate under titles 2 and 3, would suspend the tax also, I think it ought to be said that it would not.

Mr. O'MAHONEY. The Senator is absolutely correct.

Mr. BARKLEY. Title 2 of the Sugar Act provides for the quota provision. Title 3 provides for the conditional payments provisions. Title 4 contains the tax. So that while the President can suspend the quota provisions under title 2, and the conditional payments under title 3, as he did last September, as has been detailed here today, in connection with the amendment offered by the Senator from Louisiana, he did lift the quota provisions last September, and then reestablished them in January. But he did not in that proclamation, and could not, under this act, suspend the tax these people paid into the Treasury on the sugar they produced.

Mr. ELLENDER. Mr. President, I do not propose to consume very much of the Senate's time, but I want to clear up a few of the points raised a few minutes ago. When the Sugar Act was considered in 1937 this question of payments was discussed very thoroughly; and during the debate, as the Senator from Wyoming has pointed out, some effort was made to limit the amount to be paid an individual or corporation. Because of those suggestions the Senate adopted a provision in the act whereby a difference is made in the payments to these various producers of sugar, dependent on the quantity of sugar they produce.

On page 10 of the act, in title III, the conditional-payment section, there is a provision that the payment to a sugar producer shall be at the rate of 60 cents per 100 pounds of sugar and that rate is decreased in proportion to the amount of sugar produced by an individual or a corporation.

Any producer who produces up to 500 tons of sugar receives payment at the rate of 60 cents per 100 pounds, but the moment he produces in excess of that amount and up to 1,500 tons his benefit payments are decreased at the rate of 5 cents per 100 pounds. That scale works downward to the point where, if a producer makes more than 30,000 tons of sugar, his payments are cut in half. It is my understanding that in many instances the larger sugar producers receive from 20 to 30 cents lower than the basic rates fixed in the act.

Mr. President, as was pointed out on two or three occasions, we cannot compare the benefit payments that are afforded to the sugar producer with those that are paid to other farmers as soil-conservation payments. We have here a tax that is being collected for the purpose of meeting these benefit payments. The amount that is paid to the sugar producers aggregates but \$48,000,000, in round figures, and the amount collected by the Treasury amounts to as much as \$60,000,000.

We have had on the statute books provision for a tariff amounting to 1½ cents a pound with regard to sugar that is imported from Cuba, and on all other foreign sugars the



amount is 2 cents a pound. Under present conditions, the Cuban Government is given an allowance of 60 cents per 100 pounds because of an existing trade agreement, and the tariff on Cuban sugar, instead of being \$1.50 as the law provides, the President has seen fit to reduce to 90 cents a hundred pounds. So there is little difference, insofar as Cuban sugar is concerned, between the amount of the original tariff and the total of this excise tax plus the present tariff rate. In other words, they are practically equal.

Mr. President, I wish to refer to another matter, with particular reference to the question asked by the Senator from Nebraska. A contract now exists between the producers of sugar in my State, in Florida, in the beet States, in Hawaii, in Puerto Rico, on the one hand, and the Federal Government, on the other hand. I wish to point out to the Senate that in my State, for instance, we have been operating under this law for 3 years; and the cane that was planted 3 years ago, and that will be harvested this year, was planted under certain rules and regulations set out by the Department. Those rules and regulations provided that the farmers of my State should pay certain wages for the production of that sugar.

The same situation prevails in the beet-sugar area and, in fact, in every other sugar area. There is a provision in the Sugar Act which gives the Secretary of Agriculture power to fix the wages that are to be paid in Louisiana, the wages that are to be paid in Florida, and the wages that are to be paid in other sections of the United States and its possessions where the farmer receives benefits under this act.

Listen to this, Senators: Under regulations promulgated by the Department of Agriculture, the wages in Louisiana for planting and cultivating cane have been increased 26.3 percent.

For harvesting the rate of pay has been increased from 14 to 19 percent.

In Florida, where the wages were much better than those paid in Louisiana, the increase in wages for planting and cultivating was 6.7 percent. For harvesting it ranges from 7.8 to 8.2 percent.

In the continental beet area also the wages were apparently much better than they were in the South, but the increase in that territory was 6.4 percent.

Listen to the figures for Hawaii: With respect to the cane that was planted in Hawaii 3 years ago, the price of labor to plant that cane was fixed by the Department. The Hawaiian planters were told 3 years ago, "We are going to pay you benefit payments; but in order to make yourself amenable to these payments you will have to increase the price of labor." As a result of the regulation issued by the Department, the labor costs in Hawaii increased 29 percent, so that in the case of all cane that has been planted and cultivated since the Sugar Act went into effect 3 years ago, the farmers had to pay their labor 29 percent more than they usually paid. So, Mr. President, we do have a contract to fulfill.

Take the case of Puerto Rico: The increase in that island over the rate of pay that existed prior to this act is 10.5 percent.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BYRD. Am I to understand the Senator to contend that when the Secretary of Agriculture increases the price of labor, there is an obligation upon the Federal Government to pay that increase back to the producer?

Mr. ELLENDER. It so happens that benefit payments will be paid only if farmers conform to the labor provisions of the act as administered by the Department of Agriculture.

Besides that, Mr. President, the act gives to the Secretary the further right to go into my State, where we planted as many as 350,000 acres of cane in the past—

Mr. BYRD. We have a national act—a wage and hour law—which provides for that pay.

Mr. ELLENDER. The Senator no doubt knows that all forms of agricultural labor are exempted from the Wage and Hour Act. The Sugar Act is the only law on the books that gives the Government authority to regulate agricultural labor. Several years ago, before the Sugar Act went into effect, the

Louisiana sugar farmers planted as many as from 310,000 to 350,000 acres of cane; but under this act the planting has been reduced to as low as 234,000 acres in the past 2 or 3 years.

Mr. BYRD. The Senator is not answering my question.

Mr. ELLENDER. Just a moment. I wish to say to the Senator from Virginia, that in Louisiana, if a farmer produces cane on 100 acres of ground it is almost as cheap for him to operate his farm with 125 to 150 acres in cane as it is to operate where 100 acres of cane are planted; and by this curtailment the cost of producing sugar has been further increased. He must have the same equipment and provide for practically the same number of laborers.

Mr. BYRD. The Senator does not contend, then, that by reason of these subsidies there should be a payment back to the producer simply because the Secretary of Agriculture has power to fix wages? If he contends that, then every manufacturer whose wages are increased under the wage and hour law has a claim against the Government on the same principle.

Mr. ELLENDER. I am glad the Senator mentioned our manufacturers. Although tariffs are imposed, ostensibly, to help labor, yet some manufacturers still have sweatshops, hence our labor laws. Let us see what happens to the manufacturer in this country who is benefited by virtue of the tariff. I can see no difference between the imposition of a half-cent processing tax on sugar for the benefit of the sugar farmer and a 40-percent ad valorem tariff to protect a processor of cotton goods, except as to the rate of the tax. I am certain that the Senator will concede that a processing tax and the tariff are one and the same thing. Both are taxes which are ultimately paid by the consumer. The only difference between the two propositions is this: In the case of the 40-percent tariff on manufactured cotton goods, as I am going to point out to the Senate, the American manufacturer collects that tax direct from the consuming public, and in the case of the processing tax, as is the case with respect to sugar, the Government collects it and pays part of it over to the sugar producer for faithful performance of rules and regulations imposed on him, one of the regulations being better wages.

It is true that the manufacturer distributes a portion of it to labor, but not in proportion, as a rule, to benefits received. He should be able to pay better wages by virtue of that tariff protection. But for the tariff, he could not maintain high wage scales. But in the case of sugar the 53 cents a hundred pounds processing tax is collected by the Government, and part of it is given back to the farmer, as I have just indicated.

Mr. BYRD. It is paid by the consumer.

Mr. ELLENDER. Yes; it is all paid by the consumer. That is correct. I ask the Senator from Virginia, Who pays the tariff taxes? Let me point out to the Senator from Virginia a few facts: I hold in my hand a table issued by the United States Tariff Commission entitled "Comparison of Rates of Duty in the Tariff Act of 1930 and in the Tariff Act of 1922." In this table the Commission used the value of dutiable goods that were imported into this country in 1928.

Let us take the case of manufactured cotton goods. In 1928 there were imported into this country from abroad \$48,300,609 worth of cotton goods. The tax on that importation was \$19,451,364, or 40.27 percent on the value of the goods.

Who got that? The manufacturer did. He was protected because he paid better wages to his workers than foreign manufacturers. I agree with that.

By the same token, what we have done in the Sugar Act is to impose a tax of half a cent on raws and 53 cents a hundred on refined sugars; and with the proceeds of those taxes we pay to the producer the amount provided for in the bill, and in turn, he is forced to pay fixed wages, or else receive no benefits. It is a great pity we do not impose the payment of better wages and more adequate living conditions for labor against those who benefit from high tariffs. We might be able to do away with many labor laws.

Take chemicals, oils, and paints. In 1928 there were imported into this country dutiable chemicals, oils, and paints in the amount of \$93,000,000, in round figures. In order to protect the manufacturer of such products in this country

the American people paid a tariff on those goods of \$27,-688,000, or 29 percent of the value of the products.

Take earth, earthenware, and glassware. In 1922, \$53,-000,000 worth of such products were shipped into this country, and the American people paid a duty on them equal to 53.73 percent of the value of the goods.

Mr. President, I do not intend to detain the Senate very much longer. I ask unanimous consent to have printed in the RECORD following my remarks the table to which I have just referred.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

*Imports, duties, and equivalent ad valorem rates, by schedules, for the dutiable list of the Tariff Act of 1922 and for the dutiable list of the Tariff Act of 1930, calculated upon the basis of 1928 imports*

Schedules	Value of total dutiable 1928 im- ports for consumption		Noncom- parable items	Comparable items					
	Act of 1922	Act of 1930		Value of dutiable 1928 imports		Computed duties		Equivalent ad valorem rates	
				Act of 1922	Act of 1930	Act of 1922	Act of 1930	Act of 1922	Act of 1930
								<i>Percent</i>	<i>Percent</i>
1. Chemicals, oils, and paints.....	\$93,161,563	\$82,418,402	-----	\$93,161,563	\$82,418,402	\$27,688,949	\$29,748,153	29.72	36.09
2. Earths, earthenware, and glassware.....	53,486,931	56,919,960	\$1,113,104	52,373,827	55,806,856	25,511,007	29,985,159	48.71	53.73
3. Metals and manufactures of.....	129,601,301	130,167,881	11,762,717	117,838,584	118,405,164	40,003,772	41,538,921	33.95	35.08
4. Wood and manufactures of.....	16,917,211	47,034,289	-----	16,917,211	47,034,289	4,191,356	5,519,370	24.78	11.73
5. Sugar, molasses, and manufactures of.....	174,759,643	174,759,643	-----	174,759,643	174,759,643	118,572,109	134,939,588	67.85	77.21
6. Tobacco and manufactures of.....	62,318,624	62,318,624	-----	62,318,624	62,318,624	39,314,791	40,371,197	63.09	64.78
7. Agricultural products and provisions.....	282,417,950	309,398,797	-----	282,417,950	309,398,797	64,124,204	108,514,018	22.71	35.07
8. Spirits, wines, and other beverages.....	1,347,013	1,433,616	-----	1,347,013	1,433,616	523,045	680,069	38.83	47.44
9. Manufactures of cotton.....	48,300,609	48,300,609	-----	48,300,609	48,300,609	19,451,364	22,422,198	40.27	46.42
10. Flax, hemp, and jute, and manufactures of.....	133,207,491	133,207,491	-----	133,207,491	133,207,491	24,191,702	25,500,925	18.16	19.14
11. Wool and manufactures of.....	116,343,426	116,343,426	-----	116,343,426	116,343,426	57,636,641	69,609,241	49.54	59.83
12. Manufactures of silk.....	32,440,182	32,440,182	-----	32,440,182	32,440,182	18,348,161	19,181,350	56.56	59.13
13. Manufactures of rayon.....	16,077,417	16,077,417	4,651,821	11,425,596	11,425,596	6,019,359	6,125,965	52.33	53.62
14. Paper and books.....	21,927,120	21,927,120	1,260,683	20,666,437	20,666,437	5,113,098	5,385,775	24.74	26.06
15. Sundries.....	216,635,842	337,320,204	21,980,177	194,655,665	315,340,027	71,959,426	89,698,307	36.97	28.45
Not assigned to any schedule.....	361,609	361,609	-----	-----	-----	-----	-----	-----	-----
Total.....	1,399,303,932	1,570,429,270	40,768,502	1,358,173,821	1,529,299,159	522,648,984	629,220,236	38.48	41.14

<sup>1</sup> Includes undistributed values of \$20,915.

<sup>2</sup> Includes undistributed duties of \$27,601.

Mr. ELLENDER. Mr. President, for every dollar's worth of manufactured cotton goods that was sold in the United States, the manufacturer received a tariff protection against outside competitors equivalent to 40 percent of the value of the article. And in that way he was able to get just that much more from the American consumer when he sold his product. Just think of that. A 40-percent increase over what he would have received if he were forced to sell on an open market. I ask the Senator, Who does he think had to pay that 40-percent increase? The American consumer, of course, as I have previously indicated. Therefore I argue that it is only fair and just that this half-cent processing tax be collected on sugar, and the revenues thus raised be distributed to the American sugar farmers to enable them to meet competition from foreign shores.

From the exhibit I have placed in the RECORD I cite a number of examples similar to that I have just mentioned, to show how other industries are benefited through tariff protection, the cost of which is borne by the consumer.

There is one other point that I desire to call to the Senator's attention in connection with these sugar benefit payments. I am sure that everyone in this chamber remembers quite vividly what happened to the American consuming public back in the days after the World War. We depended to a great extent on Cuba and other off-shore producing areas, for the major portion of our sugar supply. And when the World War came along, with the resultant dislocation of foreign trade and shortage in sugar stocks, the American consuming public was gypped to the tune of as much as 26 cents per pound for sugar, and it wasn't always that we were fortunate enough to be able to buy it, even at that fancy price. Let us remember those days, and remember also that they may come again. And I urge upon the Members of this body, that we make provision for the time when we may not be able to import sugar into this country from off-shore areas. Then we will have to fall back on continental production. And if we increase our continental production up to 40 percent of our domestic consumptive requirements, as we can very easily do simply by expanding our domestic quotas, we will be serving a dual purpose.

We will be protecting ourselves against a sugar shortage in times of national emergency, and at the same time we will be putting into gainful cultivation thousands of acres of cropland

that are now lying idle or that are devoted to crops that are already overproduced in this country. Let us give the American farmers this opportunity to produce as much as possible of the sugar that is consumed in these United States.

It may be that a further reduction in benefit payments should be made to large sugar producers, but now is not the time to do so. Let us postpone action until we write another sugar bill. I hope the Senate votes down the pending amendment.

Mr. PEPPER obtained the floor.

Mr. BARKLEY. Mr. President, does the Senator intend to address the Senate?

Mr. PEPPER. Only briefly.

Mr. BARKLEY. I was hoping that we could fix a time, not later than 5 o'clock, for voting on the pending amendment.

Mr. PEPPER. I have no objection to voting at 5 o'clock.

The PRESIDING OFFICER. Is there objection to the request made by the Senator from Kentucky that the Senate vote on the pending amendment not later than 5 o'clock? The Chair hears none, and it is so ordered.

Mr. PEPPER. Mr. President, the Senator from Virginia heard the remarks which I made a few moments ago, wherein I mentioned the item of benefit payments received by the United States Sugar Corporation; and I expressed my sentiment that it was not proper for any one corporation to have an undue share of the quota of a given area. I, therefore, approach this question not as one who is trying to protect a monopolist, except in a way which is fair. In my State the predecessor of the United States Sugar Corporation was a pioneer in the production of sugar from sugarcane. As a matter of fact, when a disease attacked the sugarcane industry in Louisiana, experimental work was begun in the area near Lake Okeechobee, to try to develop a type of cane which would be resistant to the destructive disease which had almost destroyed the sugarcane industry in the State of Louisiana. From the experimentation carried on there they developed a type of cane which was better in resistance to disease, larger in size, and greater in sugar content than any which had previously been developed there or anywhere else in the cane area. The soil there was happily adapted to the growth of sugarcane. The climate was adapted to it. So a group of people came into the Lake Okeechobee area and started a sugar mill. That sugar mill was opened in 1929. It hap-



pened to be my privilege to be present when the mill was opened. It was a new thing for that section, and it attracted much sympathetic appreciation from the people of Florida and of the South.

At first the operation was not successful, because the types of cane had not been perfected to the extent to which they were later perfected, and the corporation went through receivership and was finally reorganized. A number of investors, most of them from the North—one of the prominent ones being Mr. Mott, of the General Motors Corporation, and another being Clarence R. Bitting, a very able operator and businessman—came in and put money into the enterprise. They made such an efficient operation of it that they can now produce sugar within a fraction of a cent as cheaply as it can be produced with cheap labor in Cuba and in other off-shore areas. All this time the corporation has gone along legitimately developing a business and conforming to the Government's program in relation to wages, the employment of minors, and in other respects. The corporation has received the benefits which the Government has made available to it. To come in suddenly in the middle of the year, when the sugarcane was planted before January 1 of this year and is now being cultivated, and after the corporation has incurred expenses in anticipation of benefit payments, is not fair.

The Department of Agriculture informs me that the benefit payments to this company have largely represented the difference between profit and loss to the corporation in the production of sugar since it has been engaged in that enterprise. After it has made commitments for the whole year, and has gone along in good faith, complying with the Government's program in the employment of labor, paying the wages which the Secretary of Agriculture requires, and furnishing good housing conditions for the labor employed there—and some Senators here have seen the excellence of the operation—to chop off the benefit payments in the middle of the year because the corporation happens to be receiving a large amount is unfair, even to a corporation.

Mr. BROWN. Mr. President, will the Senator yield to me for a question regarding the situation in his own State?

Mr. PEPPER. I yield.

Mr. BROWN. I notice from the figures inserted in the RECORD by the Senator from Virginia [Mr. BYRD] that the United States Sugar Corporation in Clewiston, Fla., received \$430,000. I ask the Senator, first, was not that benefit payment to the United States Sugar Corporation based upon the lowest rate fixed in the statute, namely, 45 cents a hundred?

Mr. PEPPER. Yes.

Mr. BROWN. When the Senator from Virginia gave the figure, he should have pointed out that the United States Sugar Corporation paid a tax of 53½ cents a hundred on exactly the same amount of sugar. So the Government took 53½ cents per hundred out of the United States Sugar Corporation and gave it in return 45 cents a hundred.

Mr. PEPPER. I am very much obliged to the Senator.

Mr. BROWN. In Hawaii 90 percent of the sugar production comes about in this way: The processor and the planter are one and the same corporation. The processing tax is levied, and the benefit payment is made, and in nearly every instance in Hawaii—and certainly in this instance in Florida—the corporation receives less money than it pays in in processing taxes.

Mr. PEPPER. I thank the able Senator from Michigan for his observation.

Mr. MALONEY. Mr. President, will the Senator yield to me?

Mr. PEPPER. I yield.

Mr. MALONEY. I should like to be sure that the Senator from Florida entirely concurs in the observation of the Senator from Michigan.

Mr. PEPPER. I concur in the factual statement which the Senator made.

Mr. BROWN. To which particular fact does the Senator refer?

Mr. PEPPER. I understand that the Senator is stating the facts.

Mr. MALONEY. I have great respect for the Senator from Michigan, but the Senator from Florida comes from the area to which the Senator from Michigan referred, and I wish to be certain that he concurs in the statement.

Mr. PEPPER. In all fairness to the Senator, the only thing that could be said against the statement of the Senator from Michigan is that while the tax was collected from the corporation in the amount which the Senator specified, a portion of it is probably passed on to the consuming public. That should be said on the other side in order to be completely fair.

Mr. MALONEY. I understand that.

Mr. PEPPER. Otherwise, according to my understanding, the Senator is absolutely correct in the facts he stated.

Mr. MALONEY. That is, the tax payment was greater than the return.

Mr. PEPPER. The tax payment per unit.

Mr. BROWN. That is fixed by the statute. It could not be otherwise.

Mr. PEPPER. The Senator from Virginia [Mr. BYRD] has made the point of saving money to the consumer. With respect to the quantity of sugar produced by the United States Sugar Corporation, if every bit of the tax were passed on to the consumer, the cost to the consumer would be less than if the same amount of sugar were produced by an aggregation of small producers, for the very reason which the Senator from Louisiana pointed out a moment ago. Whereas the small producer would have obtained 60 cents a hundred on all his production quantity, the United States Sugar Corporation had a reduced subsidy from the Government because of its larger quantity, which carries a progressively smaller subsidy. So, from the point of view of the consumer, it would be more economical to the consuming public for one corporation to produce all the sugar produced in the United States. So the payment of this large sum to the large producers is not an extra charge to the consuming public.

Mr. President, this corporation now has at least two or three million dollars invested in the enterprise at Clewiston, Fla., on Lake Okechobee. Its investment ramifies into the whole business life of south Florida. To come along and cut off its activity and destroy a business of this size, as the amendment would practically do, obviously is an unfair way to approach the subject.

The Senator from Virginia [Mr. BYRD] heard me say this afternoon that I am not in favor of one corporation, even in my State, having a monopoly in sugar production; and when we come to enact a sugar law I shall go to the committee and ask the committee to work out some way of limiting the proportion of an area's quota which any one corporation may have. That seems to me to be the fair way of approaching the subject—gradually to reduce any one group's share of the total quota where it is excessive without putting it out of business or confiscating its property. If we approach the question in that way I shall have no objection. I certainly do not want any group to have an unfair advantage. However, I think that the Senator from Virginia wishes unduly to accelerate what may be a helpful program, which would have the effect of bringing about gross unfairness to an enterprise which has contributed much to the science of sugar production and rendered a great service to my State and to the country.

Mr. O'MAHONEY. Mr. President, I desire merely to add that while I am in complete sympathy with the general purpose of the Senator from Virginia in offering this amendment, I cannot see my way clear to support it, because I am convinced that to adopt this amendment would be to destroy the Sugar Act; and if the Sugar Act is destroyed, those who will suffer most will not be the big corporations, which are receiving the large benefits of which the Senator complains, but the small farmer, who is endeavoring to maintain himself upon a small farm. If the large corporations are released from the restrictions which are placed upon them in the Sugar Act, it will be practically impossible for the small farmer to compete with them and to operate at a profit. If the benefit payment is changed, as the Senator proposes to change it, we stand in great danger of losing the very beneficial prohibitions against

child labor which are contained in the act. We stand to lose the very beneficial provisions for the payment of farm labor contained in the act; and that danger is so great that it would react upon the small farmer, because if the big corporation is released from these restrictions and is permitted to produce sugar at a cheaper rate, it will be impossible for the American farmer in the cane areas and the beet areas to compete with them. So my opposition to the amendment is based wholly upon a defense of the small man who is running a small farm.

Mr. BYRD. Mr. President, I ask unanimous consent to modify my amendment by striking out "\$5,000" and inserting "\$10,000."

The PRESIDING OFFICER. Unanimous consent is not necessary. The Senator has the right to modify his amendment. The amendment will be so modified.

The question is on agreeing to the amendment offered by the Senator from Virginia, as modified.

Mr. BYRD. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BAILEY (when his name was called). I have a general pair with the senior Senator from Michigan [Mr. VANDENBERG]. I am not able to say how he would vote if present. If I were at liberty to vote, I should vote "yea." I withhold my vote.

Mr. CHANDLER (when his name was called). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I understand that if he were present he would vote "yea." I therefore am at liberty to vote, and I vote "yea."

Mr. McKELLAR (when his name was called). I have a general pair with the senior Senator from Delaware [Mr. TOWNSEND]. Not knowing how he would vote on this question, I withhold my vote.

Mr. WHEELER (when his name was called). On this question, if I were at liberty to vote, I should vote "yea"; but I have a pair with the Senator from Ohio [Mr. TAFT] who, if present and voting, would vote "nay." I therefore withhold my vote.

The roll call was concluded.

Mr. AUSTIN. I announce the following pairs:

The Senator from New Jersey [Mr. BARBOUR] with the Senator from South Carolina [Mr. SMITH]. If present, the Senator from New Jersey would vote "nay." I am not informed how the Senator from South Carolina would vote.

The Senator from Michigan [Mr. VANDENBERG] with the Senator from North Carolina [Mr. BAILEY]. I am informed that the Senator from Michigan, if present, would vote "nay."

The Senator from Delaware [Mr. TOWNSEND], if present, would vote "yea."

Mr. WAGNER. I have a pair with the junior Senator from North Dakota [Mr. NYE]. I am not informed how he would vote on this question, so I am not at liberty to vote.

Mr. PEPPER. My colleague [Mr. ANDREWS] has to be in Florida at this time. If he were present, he would vote "nay."

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness in his family.

The Senator from Arizona [Mr. ASHURST], the Senator from Nebraska [Mr. BURKE], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Iowa [Mr. HERRING], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from North Carolina [Mr. REYNOLDS], and the Senator from New Jersey [Mr. SMATHERS] are detained on important public business.

The Senator from Washington [Mr. BONE], the Senator from Minnesota [Mr. LUNDEEN], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], and the Senator from Illinois [Mr. SLATTERY] are detained on business in Government departments.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

The result was announced—yeas 23, nays 46, as follows:

#### YEAS—23

Bridges	Frazier	Lodge	Stewart
Bulow	George	Murray	Tobey
Byrd	Gerry	Norris	Tydings
Capper	Gurney	Pittman	Van Nuys
Chandler	Holt	Reed	Walsh
Danaher	Lee	Shipstead	

#### NAYS—46

Adams	Ellender	Johnson, Colo.	Pepper
Austin	Gibson	King	Russell
Bankhead	Green	La Follette	Schwartz
Barkley	Guffey	Lucas	Schwellenbach
Bilbo	Hale	McCarran	Sheppard
Brown	Harrison	McNary	Thomas, Idaho
Byrnes	Hatch	Maloney	Thomas, Okla.
Caraway	Hayden	Mead	Thomas, Utah
Chavez	Hill	Miller	White
Clark, Idaho	Holman	Minton	Wiley
Connally	Hughes	O'Mahoney	
Donahay	Johnson, Calif.	Overton	

#### NOT VOTING—27

Andrews	Davis	Neely	Taft
Ashurst	Downey	Nye	Townsend
Bailey	Gillette	Radcliffe	Truman
Barbour	Glass	Reynolds	Vandenberg
Bone	Herring	Slattery	Wagner
Burke	Lundeen	Smathers	Wheeler
Clark, Mo.	McKellar	Smith	

So Mr. BYRD's amendment, as modified, was rejected.

Mr. FRAZIER. Mr. President, I offer the amendment, which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from North Dakota will be stated.

The CHIEF CLERK. It is proposed to insert in the bill at the proper place the following:

#### BUREAU OF INTERNAL REVENUE

The funds continued available (by the Treasury and Post Office Departments Appropriation Act, 1941) during the fiscal year 1941 for refunds of processing and related taxes shall be available during such fiscal year for the payment, hereby authorized under such regulations as may be prescribed by the Commissioner of Internal Revenue with the approval of the Secretary of the Treasury, to any person who raised or produced and marketed hogs for slaughter on which there was levied, collected, or paid a processing tax under the provisions of the Agricultural Adjustment Act (of 1933), or his legal representative, of so much of such tax as was in fact borne by such person: *Provided*, That the amount of such tax borne by such person with respect to any particular quantity of hogs shall be deemed to be an amount equal to the processing tax payable upon an equal quantity of hogs at the time such particular quantity of hogs was marketed minus any amount by which the spread between the average hog product value at Chicago of such particular quantity of hogs during the month in which they were marketed and the average hog price at Chicago of such particular quantity of hogs during such month was less than the amount of such processing tax plus 65 cents for each hundredweight of such particular quantity of hogs: *Provided further*, That the rate of processing tax levied, collected, or paid with respect to any particular quantity of hogs marketed by a claimant under the provisions of this paragraph shall be deemed to be the rate prevailing on the day following the day upon which such hogs were marketed by such claimant: *Provided further*, That any claim for payment under the provisions of this paragraph shall be filed with the Commissioner of Internal Revenue after the date of enactment of this act and prior to July 1, 1941, and proof upon such claim must be submitted prior to December 31, 1941: *Provided further*, That the allowance or disallowance by the Commissioner of Internal Revenue of any claim filed under the provisions of this paragraph shall be reviewable in the same manner and to the same extent that the allowance or disallowance of a claim filed under the provisions of title VII of the Revenue Act of 1936 is reviewable under section 906 of such act: *Provided further*, That account sales kept by a vendor, or a vendee, or by an agent of either, with respect to a particular quantity of hogs shall be accepted as proof of a claim for payment under the provisions of this paragraph with respect to such quantity of hogs: *Provided further*, That no part of any payment made under this paragraph in excess of 10 percent thereof shall be paid to or received by any agent or attorney on account of services rendered in connection with obtaining such payment, and the same shall be unlawful, any contract to the contrary notwithstanding; and any person violating the provisions of this proviso shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not exceeding \$1,000.

Mr. FRAZIER obtained the floor.

Mr. RUSSELL. Mr. President—

The PRESIDING OFFICER. Does the Senator from North Dakota yield to the Senator from Georgia?



Mr. RUSSELL. Mr. President, I rise to make a point of order against the amendment on the ground that it is clearly legislation on an appropriation bill.

The PRESIDING OFFICER. Does the Senator from North Dakota yield for that purpose?

Mr. FRAZIER. Does the Senator from Georgia make a point of order?

The PRESIDING OFFICER. Yes. Does the Senator from North Dakota yield for that purpose?

Mr. FRAZIER. I yield.

The PRESIDING OFFICER. The point of order is sustained.

Mr. FRAZIER. Mr. President, I desire to debate the question before the Chair gives his decision. It is debatable, is it not?

The PRESIDING OFFICER. The Chair has made the ruling. He could not very well take it back.

Mr. FRAZIER. I have entered a motion to suspend the rule.

The PRESIDING OFFICER. Very well. The Senator's motion is in order.

Mr. FRAZIER. I wish to call the motion up.

The PRESIDING OFFICER. The question is on the motion offered by the Senator from North Dakota to suspend paragraph 4 of rule XVI. The Senator from North Dakota is recognized.

Mr. FRAZIER. Mr. President, during the first session of this Congress a joint resolution was introduced, Senate Joint Resolution 66, which provided for refunding, to farmers who could prove that they had paid it, the processing tax paid on hogs, by receiving a lower price for the hogs. The Treasury Department and the Department of Agriculture admitted that this processing tax on hogs was paid in whole or in part by the farmer in practically all cases. The joint resolution provided for the refund where the farmer could prove that he did pay the tax, either in whole or in part, through receiving a lower price on his hogs.

The joint resolution was referred to the Committee on Agriculture and Forestry of the Senate, and a subcommittee was appointed, which held hearings. The subcommittee reported back to the full committee, and the full committee discussed the measure and reported it to the Senate, and it was placed on the calendar. On the 1st day of August of last year the joint resolution was passed by the Senate without any objection.

We have a precedent for this method of handling such a matter. Senate bill 2601 was introduced in 1933, providing for a refund to cotton farmers and others of processing taxes which had been paid on cotton, and a refund of the processing taxes paid on tobacco, and the penalty tax on potatoes under the Potato Control Act. The bill passed the Senate and went to the House, but was held up in the committee in the House, just as the joint resolution to which I have referred has been held up. When the deficiency appropriation bill was before the Senate in 1938, the bill was attached to that appropriation bill and passed.

In this case no new money is to be appropriated. In the Treasury and Post Office appropriation bill recently passed there was included a carry-over of a little over \$31,000,000 for refunds of processing taxes, and this would come under that carry-over.

No one knows just how much money it would take to refund the processing taxes to the hog raisers, but we believe it would be only a small amount, because they have to prove their cases, and farmers generally do not keep books. Probably it would not amount to more than five or ten million dollars at the outside, so it can well come within the \$31,000,000 carried over in the Treasury and Post Office Department appropriation bill this year.

Refunds have been made to the packers and to the mills which paid processing taxes on cotton and tobacco and the other products affected, and we believe the farmers who paid the processing tax on hogs are entitled to a refund, just

as the others were. So I hope the rule may be suspended in order that the amendment can be voted on, and I hope the amendment will be agreed to. I feel that the farmers are entitled to it, and, as I stated, we have the precedent. The bill for the refunding of the processing taxes on cotton was handled in just this way.

Mr. BANKHEAD. Mr. President, I have no sort of objection to the refund of any tax improperly paid by anyone in this country, but I am obliged to take issue with the Senator in the statement that this is similar to any cotton-tax refund. There has been no refund of a cotton tax except in the amount of a million and a half dollars representing taxes paid directly into the Treasury, money received by the Treasury of the United States. Of course, when the law under which those taxes were paid was construed by the Court to be unconstitutional, the taxes were refundable.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. HATCH. The Senator has confined his remarks to cotton. The Senator from North Dakota referred to other products, tobacco and other commodities, the taxes on which were refunded. The Senator knows what I have in mind, and I will ask him to explain that also.

Mr. BANKHEAD. All the taxes which have been refunded, so far as I know, including the taxes on cotton and tobacco, and rice, I believe, were taxes actually paid into the Treasury of the United States, money which in good conscience did not belong to the Government, under a decision of the court, and therefore, under the rulings of the court, as recognized in the action on the deficiency bill referred to by the Senator, the taxes were refunded.

Mr. HATCH. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. HATCH. The act to which the Senator refers, the deficiency act, carrying the appropriation, was specifically limited to refunds of taxes which had actually been paid into the Treasury of the United States.

Mr. BANKHEAD. That is absolutely true. So far as the other taxes are concerned, there may be some equity involved in them, but I do not think the statement should go unchallenged that the amendment comes under the same principle which applied to the taxes on cotton, because that is absolutely not borne out by the record.

This amendment, as I understand, is based upon the contention that the processors under the Agricultural Adjustment Act did not pass on to the consumer the tax on hogs but took it out of the price. That is the basis for the proposed action. It is a debatable question whether they took it all out, whether they took part of it out, or whether they took any of it out. Certainly the owners of hogs paid no processing tax. All processing taxes relating in any way to hogs or to corn were paid by the packers. The packers paid the tax into the Treasury. If anyone is entitled to a refund, it seems to me it would be the packers and not the producers of the hogs, because the hog producers did not pay anything. What part of the market price, if any, was deducted by the packers is a question, of course, which necessarily must be gone into very fully.

I do not know whether they took any of it. Certainly in the cases of wheat and cotton they did not take it out, but it is claimed they did as to hogs. So there is no analogy at all between the hog program, covered by the Senator's amendment, and what was done in the case of any other commodity—wheat, cotton, rice, or tobacco. There is no analogy at all between the claims presented in this amendment and those involving the other commodities.

Mr. President, I wanted to make that clear, so that the assertion that, judging this program by others, the raisers of hogs should have refunds, is not supported by the facts or by the record.

Mr. FRAZIER. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. FRAZIER. I cannot agree with the Senator from Alabama. I hold in my hand a Treasury Department statement, issued by the Bureau of Internal Revenue, entitled "An Analysis of the Effect of the Processing Taxes Levied Under the Agricultural Adjustment Act," and on page 18, there is a paragraph dealing with the effects of the hog-processing tax on producers. It reads:

It has been indicated that retail prices of hog products in 1934 and 1935 were no higher than they would have been if the tax had not been in effect, that processors' margins were widened by about the amount of the tax, and that retailers' margins were not affected by the tax. It follows that live-hog prices were lower by about the amount of the processing tax than they would have been if no tax had been imposed but all other conditions had been the same.

In the same pamphlet appears a table indicating just how the processing taxes on hogs can be adjusted. Of course, it is provided in the amendment that the farmer must prove his case. So there is a similarity. It has been the policy of the Government since time immemorial to refund any tax collected illegally.

Mr. BANKHEAD. As I pointed out, Mr. President, under the corn-hog part of the Agricultural Adjustment Act the processing tax is paid by the packers. After the Supreme Court annulled that provision, Congress passed a law requiring that anyone claiming a refund of the tax based upon the unconstitutionality of the act would be obliged to satisfy the Internal Revenue Commissioner that the tax had not been passed on to the consumer, and had not been taken from the producer, the farmer.

As a matter of fact, I think the records will disclose, although I do not have them available at the moment, that the processors, although they paid a large amount of processing taxes, did not present any claim, certainly not to any very great extent, for refund of the taxes they had paid, and I assume it was because they were unable to make the proof that they had not taken the amount of the tax from the producers.

Mr. GEORGE. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. GEORGE. Some processors of hogs have filed claims, and those claims are now pending in the process of adjustment in the Bureau.

Mr. BANKHEAD. If this amendment is agreed to, will there be a double refund?

Mr. GEORGE. I think so. I know that one of the big packing companies has pending now claims amounting to approximately \$12,000,000. They have been in the process of adjustment for some time.

Mr. GURNEY. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. GURNEY. This whole provision was thoroughly considered by the Committee on Agriculture and Forestry when they reported favorably the bill which passed the Senate on August 3 last year, and in the report of the committee they came to the conclusion that the producer did pay the tax, not the consumer. They also came to the conclusion that the processor has not been benefited by the tax.

Mr. BANKHEAD. The only answer I can make to that is that I am a very regular attendant upon the meetings of the Committee on Agriculture and Forestry, and if the full committee had any hearings on this subject I knew nothing about it.

Mr. GURNEY. A committee report was made on it, and the proposal which the Senator from North Dakota now offers is an amendment to the agricultural appropriation bill.

Mr. BANKHEAD. Mr. President, I do not wish to delay the Senate unduly. I should like to see the hog processors, who are farmers, protected, if they have been treated unfairly. But I do not think that an appropriation bill is any more a measure in which to settle this question than it would be the appropriate measure in which to take care of the sugar question, which was voted on awhile ago. The question is a controversial one. The amendment offered by the Senator from North Dakota does not fix any amount. He goes into the subject of averages, average prices, and all that sort of

thing, not providing for refund of any taxes paid, not to fix the matter upon a tax basis, even, but apparently to legislate on the theory that some amount has been deducted by the producers of the hogs on account of the taxes; and an arbitrary basis or average is fixed in the amendment to cover that.

Every Senator knows I am in sympathy with any claim which has any merit to it, when presented by any group of farmers in this country, yet I feel that my position on this matter should be just the same as that which I took a while ago when I voted on the sugar question, as sympathetic as I am with the sugar farmers. The bill before us is an appropriation bill, and in my judgment this amendment ought not to be adopted.

Mr. SHIPSTEAD. Mr. President, will the Senator yield?

Mr. BANKHEAD. I yield.

Mr. SHIPSTEAD. There is merit in this claim.

Mr. BANKHEAD. That is possibly true, Mr. President. I do not deny that.

Mr. SHIPSTEAD. And while it is true the packers paid the processing tax, and had to pay it, it did not come out of the packers.

Mr. BANKHEAD. Suppose they got it back now, which they may do under the law?

Mr. SHIPSTEAD. The processing tax came out of the farmer in the reduction of price, as was well understood at the time. The usual differential between the price of hogs in Canada and in the United States, which has followed along a general line for years, was changed immediately. The packer did not pay the tax out of the price for which he sold pork. We who were on the Committee on Agriculture and Forestry, and who studied the pork prices at that time, all agreed that it was evident on the face of the record that the packer was not paying up to the price of hogs plus the processing tax. The farmer did not get it in the price of the hogs. Of course, the packer took it out of the price of the hog and paid it into the Treasury. Those who followed the record at the time agreed that the amount of the processing tax was taken out of the price paid to the farmer for the hog.

Mr. GURNEY. Mr. President, I wish to make one short statement on the amendment offered by the Senator from North Dakota. The amendment definitely states that the farmer must prove his claim. The amendment requires no appropriation. The refunds of the processing tax which might be made on proven claims would come out of a fund which is already available.

Mr. FRAZIER. Mr. President, in regard to the statement of the Senator from Alabama that there is no precedent for a measure of this kind being attached to an appropriation bill, in the case of the tax penalties levied under the Bankhead Cotton Control Act, the Kerr-Smith Tobacco Act, and the Potato Control Act of 1938 an amendment covering those refunds was attached to the deficiency bill in 1938 when the bill was pending before the House Committee on Agriculture, and the bill was passed in that way.

Mr. BANKHEAD. Mr. President, I am sure the Senator realizes and will admit that the only amounts covered by that bill were refunds of money actually paid into the Treasury by farmers.

Mr. FRAZIER. These amounts have actually been paid.

Mr. BANKHEAD. Oh, no.

Mr. FRAZIER. Yes; they have. I have a table prepared by the Department of Agriculture giving the prices of hogs by months during the years when the processing tax was in effect. According to the figures, for 3 years prior to the time the processing tax was in effect the spread between the price of hogs and the price of hog commodities was 65 cents per hundred pounds.

In September 1934 the value of hog products was \$9.90 a hundred. The hog price in Chicago was \$6.99. The spread between the two was \$2.91. Before the hog processing tax went into effect it was only 65 cents a hundred. The tax at that time was \$2.25. The spread was \$2.91.

Take practically any month shown in the report. In August 1935 the price of hog products in Chicago was \$14.65 a hundred. The hog price in Chicago was \$11.54. The spread



was \$3.11 a hundred, whereas before the tax went into effect it was only 65 cents a hundred. The processing tax was \$2.25. The farmer paid \$3.61 and received back \$3.25. If the farmers are not entitled to this refund—provided they can prove their claims—I do not know who would be entitled to it. The difference is worked out by months, and from the difference is deducted the amount of 65 cents, which was the average tax. So the farmer paid the balance, whatever it was. If he can prove his case—

Mr. SHIPSTEAD. Mr. President, will the Senator yield?  
Mr. FRAZIER. I yield.

Mr. SHIPSTEAD. He must prove his case to the satisfaction of the collector of internal revenue. What can be wrong with that? If he can prove his case he has a claim. If he cannot prove his case he has no claim.

Mr. BANKHEAD. Mr. President, I wish to remind the Senator that this is an appropriation bill.

Mr. FRAZIER. No new money is appropriated.

Mr. BANKHEAD. I might go along with the proposal if it were embodied in a separate bill setting up the machinery to ascertain the loss and present the claims, but this is an appropriation bill.

Mr. FRAZIER. No new money is appropriated. The cost is taken care of by the carry-over of the money which was appropriated for the refund of processing taxes.

The PRESIDING OFFICER. The question is on the motion of the Senator from North Dakota [Mr. FRAZIER] to suspend the rules. [Putting the question.] It is apparent that two-thirds of the Senators present and voting have not voted in the affirmative. Therefore the motion is rejected.

Mr. BYRD. Mr. President, I offer an amendment which I send to the desk and ask to have stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Virginia will be stated.

The CHIEF CLERK. On page 82, line 14, before the period, it is proposed to insert a colon and the following:

*Provided further*, That no part of the amount herein appropriated shall be available for making total conditional payments in excess of \$50,000 to any one person, firm, partnership, or corporation in connection with the 1940 sugar program.

Mr. BARKLEY. Mr. President, is the Senator willing to yield to me to see if we can agree on a time to vote on this amendment?

Mr. BYRD. So far as I am concerned it can be voted on immediately.

Mr. President, the amendment is identical with the amendment which the Senate rejected, except that the limit is \$50,000 instead of \$10,000. I have no desire to consume the time of the Senate, but I do think that I am entitled to a yea-and-nay vote. If I may have a yea-and-nay vote, I shall not take up any further time.

I ask for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. WAGNER. On this question I have a pair with the junior Senator from North Dakota [Mr. NYE]. I am not informed as to how he would vote. If I were at liberty to vote, I should vote "nay."

Mr. MCKELLAR (after having voted in the affirmative). I have a pair with the senior Senator from Delaware [Mr. TOWNSEND], who is absent. I am informed that if he were present and voting he would vote as I have voted, so I permit my vote to stand.

Mr. CHANDLER (after having voted in the affirmative). I have a general pair with the Senator from Pennsylvania [Mr. DAVIS]. I am informed that if he were present he would vote as I have voted, so I permit my vote to stand.

Mr. ELLENDER. My colleague [Mr. OVERTON] has a pair with the senior Senator from Virginia [Mr. GLASS]. I am advised that if present and voting the Senator from Virginia would vote "yea" and my colleague would vote "nay."

Mr. MINTON. I announce that the Senator from Virginia [Mr. GLASS] is absent from the Senate because of illness in his family.

The Senator from Washington [Mr. BONE], the Senators from North Carolina [Mr. BAILEY and Mr. REYNOLDS], the Senator from Nebraska [Mr. BURKE], the Senator from New Mexico [Mr. CHAVEZ], the Senators from Missouri [Mr. CLARK and Mr. TRUMAN], the Senator from Ohio [Mr. DONAHEY], the Senator from California [Mr. DOWNEY], the Senator from Iowa [Mr. GILLETTE], the Senator from Illinois [Mr. LUCAS], the Senator from Minnesota [Mr. LUNDEEN], the Senator from West Virginia [Mr. NEELY], the Senator from Maryland [Mr. RADCLIFFE], the Senator from New Jersey [Mr. SMATHERS], and the Senator from Montana [Mr. WHEELER] are detained on important public business.

The Senator from South Carolina [Mr. SMITH] is unavoidably detained.

Mr. AUSTIN. I announce the following pairs:

The Senator from Michigan [Mr. VANDENBERG] with the Senator from North Carolina [Mr. BAILEY]. If present, the Senator from Michigan would vote "nay," and the Senator from North Carolina would vote "yea."

The Senator from Ohio [Mr. TAFT] with the Senator from Montana [Mr. WHEELER]. If present, the Senator from Ohio would vote "nay," and the Senator from Montana would vote "yea."

The Senator from New Jersey [Mr. BARBOUR] with the Senator from South Carolina [Mr. SMITH]. If present, the Senator from New Jersey would vote "nay." I am not informed how the Senator from South Carolina would vote.

Mr. PEPPER. My colleague [Mr. ANDREWS] is detained in Florida. If he were present he would vote "nay."

The result was announced—yeas 27, nays 37, as follows:

#### YEAS—27

Ashurst	Danaher	Lee	Shipstead
Bridges	Frazier	Lodge	Stewart
Bulow	George	McCarran	Thomas, Okla.
Byrd	Gerry	McKellar	Tydings
Capper	Hatch	Murray	Van Nuys
Chandler	Holman	Pittman	Walsh
Connally	Holt	Reed	

#### NAYS—37

Adams	Gibson	Johnson, Colo.	Russell
Austin	Green	King	Schwartz
Bankhead	Guffey	La Follette	Schwellenbach
Barkley	Hale	McNary	Sheppard
Blibo	Harrison	Maloney	Slattery
Brown	Hayden	Mead	Thomas, Utah
Byrnes	Herring	Miller	White
Caraway	Hill	Minton	
Clark, Idaho	Hughes	O'Mahoney	
Ellender	Johnson, Calif.	Pepper	

#### NOT VOTING—32

Andrews	Donahey	Norris	Thomas, Idaho
Bailey	Downey	Nye	Tobey
Barbour	Gillette	Overton	Townsend
Bone	Glass	Radcliffe	Truman
Burke	Gurney	Reynolds	Vandenberg
Chavez	Lucas	Smathers	Wagner
Clark, Mo.	Lundeen	Smith	Wheeler
Davis	Neely	Taft	Wiley

So Mr. BYRD's amendment was rejected.

Mr. HAYDEN. Mr. President, I offer the amendment which I have heretofore had printed, and which is lying on the table.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 25, line 15, after the word "Industry", it is proposed to insert a colon and the following:

*Provided further*, That not to exceed \$5,000 of the amount herein made available may be used to purchase and supply beef to the Seminole Indians of the Big Cypress Swamp area, Hendry County, Fla., during the time that deer infested with cattle ticks are being removed from said area and until such area is restocked with deer.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is still before the Senate and open to amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

Mr. RUSSELL. I move that the Senate insist upon its amendments, request a conference with the House on the

matters in disagreement, and that the Chair appoint the conferees on behalf of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. RUSSELL, Mr. HAYDEN, Mr. TYDINGS, Mr. BANKHEAD, Mr. SMITH, Mr. NYE, and Mr. McNARY conferees on the part of the Senate.

Mr. RUSSELL. I also ask unanimous consent that the clerks be permitted to correct the totals in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### EXTENSION OF RECIPROCAL TRADE AGREEMENTS ACT

Mr. HARRISON. Mr. President, I move that the Senate proceed to the consideration of House Joint Resolution 407.

The PRESIDING OFFICER. The joint resolution will be stated by title for the information of the Senate.

The CHIEF CLERK. Joint resolution (H. J. Res. 407) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Mississippi.

The motion was agreed to; and the Senate proceeded to consider the joint resolution, which had been reported from the Committee on Finance, without amendment.

Mr. BARKLEY obtained the floor.

Mr. PITTMAN. Mr. President—

Mr. BARKLEY. I yield to the Senator from Nevada.

Mr. PITTMAN. I desire to ask the Senator from Mississippi and the Senator from Kentucky if it is the intention to proceed with the joint resolution tomorrow.

Mr. BARKLEY. It is not. I propose to move a recess until Monday.

Mr. PITTMAN. I wanted to know that because I shall have to be absent tomorrow.

At this time, with the consent of the Senator from Mississippi, I give notice that on Monday, following the address of the Senator from Mississippi, with the consent of the Senate, I shall address the Senate on the amendment which is now lying on the table, which I offered, and which was referred to the Committee on Finance, which amendment requires ratification by the Senate of treaties made under this measure as other treaties are ratified.

I feel that I should mention this matter because I voted against the extension of the act 2 years ago on that ground. I have been interviewed in the press, stating that I intended to support such an amendment. I have talked with a number of members of the Foreign Relations Committee, which committee is generally concerned in such questions; and at the earliest possible moment I desire to present the subject, so that there may be an opportunity for its study by the committee.

Mr. BARKLEY. Mr. President, it is not desired that we proceed with the joint resolution today. Therefore I am about to move that the Senate take a recess until Monday.

Mr. HARRISON. Mr. President, as I understand, I have the floor.

Mr. BARKLEY. I hope so.

The PRESIDING OFFICER. It will depend upon the Presiding Officer on Monday. The Chair thinks there will be no difficulty about the Senator from Mississippi obtaining recognition. He hardly ever has difficulty in doing so.

#### EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER, as in executive session, laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

#### RECESS

Mr. BARKLEY. If there is nothing further, I move that the Senate take a recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 48 minutes p. m.) the Senate took a recess until Monday, March 25, 1940, at 12 o'clock meridian.

#### NOMINATIONS

*Executive nominations received by the Senate March 22 (legislative day of March 4), 1940*

##### PROMOTIONS IN THE NAVY

The following-named commanders to be captains in the Navy, to rank from the 23d day of September 1939:

Herbert R. Hein  
George B. Ashe  
Carlos A. Bailey

The following-named commanders to be captains in the Navy, to rank from the 8th day of December 1939:

Virgil C. Griffin, Jr.  
Schuyler Mills.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of August 1939:

Thomas E. Flaherty	Walton R. Read
John B. Barrett	Robert B. Crichton
William E. McClendon	Thomas B. Fitzpatrick
Charles E. Olsen	George V. Whittle
Elmer R. Runquist	

The following-named lieutenant commanders to be commanders in the Navy, to rank from the 1st day of September 1939:

Hermann P. Knickerbocker	Benjamin C. Purrington
Cornelius V. S. Knox	Anton L. Mare
John B. McGovern	Sumner C. Cheever
Arthur W. Peterson	

Lt. Comdr. Jack E. Hurff to be a commander in the Navy, to rank from the 23d day of September 1939.

The following-named lieutenants to be lieutenant commanders in the Navy to rank from the date stated opposite their names:

Edward S. Pearce, June 23, 1938.  
Lewis S. Parks, August 1, 1939.  
Kenneth C. Hurd, October 1, 1939.  
William L. Benson, December 8, 1939.  
Everett E. Mann, December 29, 1939.  
Hunter Wood, Jr., December 29, 1939.  
Barton E. Bacon, Jr., January 1, 1940.  
George J. Dufek, January 1, 1940.  
Frank P. Tibbitts, February 1, 1940.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

Richard H. Best, September 1, 1939.  
John R. Leeds, October 1, 1939.  
Travis R. Leverett, January 1, 1940.  
George E. Hughes, January 1, 1940.  
Ernest M. Snowden, January 1, 1940.  
Herbert J. Campbell, February 1, 1940.  
Barry K. Atkins, February 12, 1940.

Ensign Louis J. Gulliver, Jr., to be a lieutenant (junior grade) in the Navy, to rank from the 4th day of June 1939.

The following-named lieutenants to be lieutenants in the Navy, to rank from the date stated opposite their names, to correct the date of rank as previously nominated and confirmed:

Henry G. Munson, July 1, 1939.  
Thomas K. Bowers, July 1, 1939.  
Frank C. Acker, August 1, 1939.  
Howard F. Stoner, August 1, 1939.

The following-named lieutenant commanders to be commanders in the Navy, to rank from the date stated opposite their names:

Edward B. Peterson, August 1, 1939.  
William H. Ferguson, August 1, 1939.  
Frederick C. Sachse, September 23, 1939.

The following-named lieutenants (junior grade) to be lieutenants in the Navy, to rank from the date stated opposite their names:

William E. Townsend, August 1, 1939.  
John H. Kaufman, September 1, 1939.  
Joseph H. Kuhl, September 1, 1939.



Howard R. Prince, September 1, 1939.  
 Jacob A. Lark, September 1, 1939.  
 Milton F. Pavlic, September 1, 1939.  
 Anthony H. Dropp, September 1, 1939.  
 William L. Richards, September 23, 1939.  
 William M. Ryon, September 23, 1939.  
 William B. Short, Jr., November 1, 1939.  
 Ray M. Pitts, December 29, 1939.  
 Jack I. Sandy, January 1, 1940.  
 Thomas F. Williamson, January 1, 1940.  
 Richard H. Blair, January 1, 1940.  
 Nicholas J. Nicholas, February 1, 1940.  
 John R. Spiers, February 12, 1940.

## POSTMASTERS

## ALABAMA

William E. P. Lakeman to be postmaster at Haleyville, Ala., in place of W. E. P. Lakeman. Incumbent's commission expired March 13, 1940.  
 James D. Ratchford to be postmaster at Lafayette, Ala., in place of W. H. Royston, removed.  
 William B. Hardegree to be postmaster at Talladega, Ala., in place of W. B. Hardegree. Incumbent's commission expired March 13, 1940.

## ARIZONA

Leonard D. Redfield to be postmaster at Benson, Ariz., in place of L. D. Redfield. Incumbent's commission expired March 17, 1940.  
 Nott E. Guild to be postmaster at Florence, Ariz., in place of N. E. Guild. Incumbent's commission expired January 23, 1940.  
 Myrtle Prophet to be postmaster at Oatman, Ariz., in place of Myrtle Prophet. Incumbent's commission expired February 14, 1940.

## ARKANSAS

William D. Fowler to be postmaster at Brinkley, Ark., in place of W. D. Fowler. Incumbent's commission expired March 10, 1940.  
 Irene R. Bodenhamer to be postmaster at El Dorado, Ark., in place of S. B. McCall. Incumbent's commission expired August 2, 1939.

## CALIFORNIA

Fred D. Wilder to be postmaster at Angels Camp, Calif., in place of C. T. Mills. Incumbent's commission expired March 19, 1939.  
 Purley O. Van Deren to be postmaster at Broderick, Calif., in place of P. O. Van Deren. Incumbent's commission expired March 25, 1940.  
 Floyd F. Howard to be postmaster at Courtland, Calif., in place of F. F. Howard. Incumbent's commission expired March 25, 1940.  
 Valente F. Dolcini to be postmaster at Davis, Calif., in place of V. F. Dolcini. Incumbent's commission expired March 25, 1940.  
 James A. Lee to be postmaster at Glendora, Calif., in place of J. A. Lee. Incumbent's commission expired August 27, 1939.  
 Lena M. Burris to be postmaster at Meridian, Calif. Office became Presidential July 1, 1939.  
 Elizabeth M. Taylor to be postmaster at Tulalake, Calif., in place of E. M. Taylor. Incumbent's commission expired July 1, 1939.  
 Genevieve A. King to be postmaster at Winton, Calif., in place of F. R. Willey, resigned.

## COLORADO

Lloyd W. Failing to be postmaster at Craig, Colo., in place of L. W. Failing. Incumbent's commission expired February 7, 1940.

## CONNECTICUT

Albert C. Santi to be postmaster at Ivoryton, Conn., in place of A. C. Santi. Incumbent's commission expired January 23, 1940.  
 Frederick J. Bielefield to be postmaster at Middletown, Conn., in place of F. J. Bielefield. Incumbent's commission expired July 11, 1939.

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Patrick J. Goode to be postmaster at New Haven, Conn., in place of P. J. Goode. Incumbent's commission expired March 4, 1940.

## FLORIDA

Edith Boyles to be postmaster at Brewster, Fla., in place of Edith Boyles. Incumbent's commission expired August 26, 1939.  
 Howard W. Harrison to be postmaster at Jay, Fla., in place of H. W. Harrison. Incumbent's commission expired August 9, 1939.

## GEORGIA

Thomas W. Dalton to be postmaster at Alto, Ga., in place of T. W. Dalton. Incumbent's commission expired January 20, 1940.  
 Joseph D. Long to be postmaster at Bremen, Ga., in place of J. D. Long. Incumbent's commission expired March 18, 1940.  
 Charles L. Adair to be postmaster at Comer, Ga., in place of C. L. Adair. Incumbent's commission expired March 18, 1940.  
 John Marvin Gillespie to be postmaster at Demorest, Ga., in place of J. M. Gillespie. Incumbent's commission expired January 20, 1940.  
 Thomas M. Carson to be postmaster at Lavonia, Ga., in place of T. M. Carson. Incumbent's commission expired March 18, 1940.  
 Clifton O. I'oyd to be postmaster at Lindale, Ga., in place of C. O. Lloyd. Incumbent's commission expired January 20, 1940.  
 William A. Pattillo to be postmaster at Macon, Ga., in place of W. A. Pattillo. Incumbent's commission expired March 18, 1940.  
 Irene W. Field to be postmaster at Monroe, Ga., in place of I. W. Field. Incumbent's commission expired March 18, 1940.

Wilbur N. Harwell to be postmaster at Oxford, Ga., in place of W. N. Harwell. Incumbent's commission expired January 20, 1940.

Olen N. Merritt to be postmaster at Ringgold, Ga., in place of O. N. Merritt. Incumbent's commission expired March 18, 1940.

Etta Sneed Arnall to be postmaster at Senoia, Ga., in place of E. S. Arnall. Incumbent's commission expired March 13, 1940.

## IDAHO

Lewis Parker Runyon to be postmaster at Buhl, Idaho, in place of L. P. Runyon. Incumbent's commission expired February 18, 1939.

Elsie H. Welker to be postmaster at Cambridge, Idaho, in place of E. H. Welker. Incumbent's commission expired March 13, 1940.

Iva F. Madden to be postmaster at Cascade, Idaho, in place of I. F. Madden. Incumbent's commission expired January 20, 1940.

Mack H. Shotwell to be postmaster at Gooding, Idaho, in place of M. H. Shotwell. Incumbent's commission expired February 9, 1939.

Ernest L. Clinger to be postmaster at Shoshone, Idaho, in place of E. L. Clinger. Incumbent's commission expired February 18, 1939.

Henry B. Jones to be postmaster at Wilder, Idaho, in place of H. B. Jones. Incumbent's commission expired January 20, 1940.

## ILLINOIS

Jacob Feldman to be postmaster at Batavia, Ill., in place of Jacob Feldman. Incumbent's commission expired February 4, 1940.

John W. Rettberg to be postmaster at Divernon, Ill., in place of W. E. Wall, deceased.

Harold F. Kuettner to be postmaster at Dundee, Ill., in place of H. F. Kuettner. Incumbent's commission expired February 4, 1940.

Howard J. Hall to be postmaster at Elburn, Ill., in place of H. J. Hall. Incumbent's commission expired February 14, 1940.

Dorothy A. O'Donnell to be postmaster at Grafton, Ill., in place of D. A. O'Donnell. Incumbent's commission expired January 20, 1940.

Walter T. Smith to be postmaster at Havana, Ill., in place of W. T. Smith. Incumbent's commission expires March 25, 1940.

Edwin C. F. Braun to be postmaster at Lebanon, Ill., in place of E. C. F. Braun. Incumbent's commission expired January 20, 1940.

John W. Norris to be postmaster at Washington, Ill., in place of J. W. Norris. Incumbent's commission expired January 20, 1940.

## INDIANA

Clarence H. Andres to be postmaster at Batesville, Ind., in place of C. H. Andres. Incumbent's commission expired March 10, 1940.

Lawrence M. Slough to be postmaster at Bourbon, Ind., in place of L. M. Slough. Incumbent's commission expired January 20, 1940.

William W. Workman to be postmaster at Kokomo, Ind., in place of W. W. Workman. Incumbent's commission expired March 20, 1940.

William H. Lauterbach to be postmaster at Rosedale, Ind., in place of I. R. Huxford. Incumbent's commission expired January 18, 1939.

Walter H. Droege to be postmaster at Seymour, Ind., in place of W. H. Droege. Incumbent's commission expired January 20, 1940.

## IOWA

Edward J. Kooreman to be postmaster at Alton, Iowa, in place of E. J. Kooreman. Incumbent's commission expired January 23, 1940.

Martin C. Fitzpatrick to be postmaster at Greeley, Iowa, in place of M. C. Fitzpatrick. Incumbent's commission expired January 23, 1940.

Wilford S. Smiley to be postmaster at Grinnell, Iowa, in place of W. S. Smiley. Incumbent's commission expired February 5, 1940.

John L. Harrison to be postmaster at Hornick, Iowa, in place of J. L. Harrison. Incumbent's commission expired July 1, 1939.

Albert S. Barry to be postmaster at Muscatine, Iowa, in place of A. S. Barry. Incumbent's commission expired January 23, 1940.

Philip J. Carolan to be postmaster at Ridgeway, Iowa, in place of P. J. Carolan. Incumbent's commission expired January 23, 1940.

Florence Gilman to be postmaster at Rock Rapids, Iowa, in place of Florence Gilman. Incumbent's commission expired January 23, 1940.

## KANSAS

George R. Willson to be postmaster at Cedar Vale, Kans., in place of Max Montgomery, removed.

George F. Heim, Jr., to be postmaster at Ellinwood, Kans., in place of G. F. Heim, Jr. Incumbent's commission expired August 21, 1939.

James Martin Miller to be postmaster at Fort Scott, Kans., in place of Martin Miller. Incumbent's commission expires March 25, 1940.

Raymond E. Stotts to be postmaster at Garden City, Kans., in place of R. E. Stotts. Incumbent's commission expired July 27, 1939.

James B. Doyle to be postmaster at Herington, Kans., in place of J. B. Doyle. Incumbent's commission expired March 4, 1940.

Anna H. Smith to be postmaster at Morland, Kans., in place of A. H. Smith. Incumbent's commission expired January 20, 1940.

Anna M. Bryan to be postmaster at Mullinville, Kans., in place of A. M. Bryan. Incumbent's commission expired March 11, 1940.

Leo P. Gallagher to be postmaster at Osborne, Kans., in place of L. P. Gallagher. Incumbent's commission expired March 11, 1940.

Rollie David to be postmaster at Russell Springs, Kans., in place of Rollie David. Incumbent's commission expired January 20, 1940.

## KENTUCKY

William E. Ferguson to be postmaster at Albany, Ky., in place of W. E. Ferguson. Incumbent's commission expired May 1, 1938.

## LOUISIANA

Mrs. Leonard C. Davenport to be postmaster at Mer Rouge, La., in place of L. C. Davenport. Incumbent's commission expired June 6, 1938.

## MARYLAND

Lena S. Townsend to be postmaster at Girdletree, Md., in place of L. S. Townsend. Incumbent's commission expired February 4, 1940.

G. Howard Hergenrother to be postmaster at Havre de Grace, Md., in place of H. A. Coy, removed.

Katherine G. O'Donnell to be postmaster at Mountain Lake Park, Md., in place of K. G. O'Donnell. Incumbent's commission expired January 20, 1940.

## MASSACHUSETTS

Anna L. Cavanaugh to be postmaster at Ashland, Mass., in place of A. L. Cavanaugh. Incumbent's commission expired February 15, 1940.

Arthur I. Maguire to be postmaster at East Walpole, Mass., in place of A. I. Maguire. Incumbent's commission expired March 3, 1940.

Nelson J. Buckwheat to be postmaster at Huntington, Mass., in place of N. J. Buckwheat. Incumbent's commission expired March 11, 1940.

## MICHIGAN

Louis J. Vanderburg to be postmaster at Holland, Mich., in place of L. J. Vanderburg. Incumbent's commission expired January 20, 1940.

Ernest O. Samuelson to be postmaster at Sawyer, Mich., in place of Robert Miller, Sr., deceased.

## MINNESOTA

Roy N. Martin to be postmaster at Claremont, Minn., in place of C. W. McDonald, removed.

Delmer J. Laudon to be postmaster at Dover, Minn., in place of A. A. Dale, retired.

Miles L. Sweeney to be postmaster at Jeffers, Minn., in place of M. L. Sweeney. Incumbent's commission expired July 27, 1939.

## MISSISSIPPI

Luna B. Stocks to be postmaster at Baldwyn, Miss., in place of L. B. Stocks. Incumbent's commission expired February 14, 1940.

Howard Cochran Overstreet to be postmaster at Brooklyn, Miss. Office became Presidential July 1, 1939.

Robert H. Redus to be postmaster at Starkville, Miss., in place of R. H. Redus. Incumbent's commission expired March 13, 1940.

## MISSOURI

James E. Sharp to be postmaster at Gideon, Mo., in place of J. E. Sharp. Incumbent's commission expired August 27, 1939.

Sterling H. Bagby to be postmaster at Huntsville, Mo., in place of S. H. Bagby. Incumbent's commission expired March 28, 1940.

Wayne Osborn to be postmaster at Macks Creek, Mo. Office became Presidential July 1, 1939.

Harry E. Ball to be postmaster at Montgomery City, Mo., in place of H. E. Ball. Incumbent's commission expired January 23, 1940.

Herbert J. Fallert to be postmaster at Ste. Genevieve, Mo., in place of H. J. Fallert. Incumbent's commission expired February 15, 1940.

Alethea S. Williams to be postmaster at Silex, Mo., in place of A. S. Williams. Incumbent's commission expired January 23, 1940.



Max L. Kelley to be postmaster at Steele, Mo., in place of M. L. Kelley. Incumbent's commission expired March 13, 1940.

Clare Magee to be postmaster at Unionville, Mo., in place of Clare Magee. Incumbent's commission expired March 4, 1940.

John P. Cunningham to be postmaster at Wentzville, Mo., in place of J. P. Cunningham. Incumbent's commission expired January 23, 1940.

#### MONTANA

John A. Manix to be postmaster at Augusta, Mont., in place of W. J. McManus, removed.

Edgar L. Bowers to be postmaster at Culbertson, Mont., in place of E. L. Bowers. Incumbent's commission expired August 26, 1939.

Edward J. Coyle to be postmaster at Lewistown, Mont., in place of D. F. Crowley. Incumbent's commission expired March 20, 1939.

Ralph Drew to be postmaster at Somers, Mont., in place of Ralph Drew. Incumbent's commission expired March 21, 1940.

#### NEBRASKA

James M. McKinley to be postmaster at Sutherland, Nebr., in place of A. B. Yates, removed.

May E. Nichols to be postmaster at Valley, Nebr., in place of John Monahan, deceased.

#### NEW HAMPSHIRE

Ruth N. Ray to be postmaster at Chester, N. H., in place of R. N. Ray. Incumbent's commission expired January 20, 1940.

Leon A. Warren to be postmaster at Groveton, N. H., in place of L. A. Warren. Incumbent's commission expired August 15, 1939.

Arlene S. R. Wells to be postmaster at Haverhill, N. H. Office became Presidential July 1, 1938.

#### NEW JERSEY

William H. D'Arcy to be postmaster at Cranford, N. J., in place of W. H. D'Arcy. Incumbent's commission expired August 26, 1939.

Anna Belle Willey to be postmaster at Pennsville, N. J., in place of A. B. Willey. Incumbent's commission expired June 6, 1939.

#### NEW MEXICO

Helen Anna Childers to be postmaster at Jal, N. Mex., in place of H. A. Childers. Incumbent's commission expired January 23, 1940.

Alline B. Johnson to be postmaster at Loving, N. Mex., in place of J. C. Wyman, resigned.

#### NEW YORK

Gertrude L. Miller to be postmaster at Accord, N. Y., in place of G. L. Miller. Incumbent's commission expired August 21, 1939.

Frank Crowley to be postmaster at Bombay, N. Y., in place of Neal Sullivan, removed.

Charles W. Dunn to be postmaster at Calcium, N. Y., in place of C. W. Dunn. Incumbent's commission expired March 13, 1940.

Edward J. O'Mara to be postmaster at Cornwall, N. Y., in place of E. J. O'Mara. Incumbent's commission expired August 2, 1939.

Evenor A. Andre to be postmaster at Croghan, N. Y., in place of E. A. Andre. Incumbent's commission expired August 2, 1939.

Hattie D. Lyon to be postmaster at East Setauket, N. Y., in place of H. D. Lyon. Incumbent's commission expired March 10, 1940.

Leon L. Rider to be postmaster at Falconer, N. Y., in place of L. L. Rider. Incumbent's commission expired August 2, 1939.

Dennis J. Sullivan to be postmaster at Fort Plain, N. Y., in place of D. J. Sullivan. Incumbent's commission expired January 20, 1940.

Barbara J. Kelly to be postmaster at Frankfort, N. Y., in place of B. J. Kelly. Incumbent's commission expired January 20, 1940.

Grant W. Fuller to be postmaster at Gouverneur, N. Y., in place of G. W. Fuller. Incumbent's commission expired June 28, 1939.

Nathan D. Williams to be postmaster at Highland, N. Y., in place of G. E. Dean, resigned.

John J. Gaffney to be postmaster at Liverpool, N. Y., in place of J. P. Young, removed.

George H. Bogardus to be postmaster at Morristown, N. Y., in place of G. H. Bogardus. Incumbent's commission expired July 24, 1939.

Chester J. Brown to be postmaster at Newburgh, N. Y., in place of J. A. Donahue, deceased.

Thomas E. Roeber to be postmaster at Port Washington, N. Y., in place of T. E. Roeber. Incumbent's commission expired January 20, 1940.

Daniel S. Foster to be postmaster at Saranac Lake, N. Y., in place of D. S. Foster. Incumbent's commission expired January 20, 1940.

Beatrice A. Sweet to be postmaster at Smyrna, N. Y., in place of F. L. Sweet, deceased.

Marie D. Proctor to be postmaster at Theresa, N. Y., in place of J. W. Murray, removed.

Edward N. Skinner to be postmaster at Westfield, N. Y., in place of E. N. Skinner. Incumbent's commission expired March 10, 1940.

#### NORTH CAROLINA

James Franklin Greene to be postmaster at Bakersville, N. C., in place of J. F. Greene. Incumbent's commission expired January 28, 1940.

Talmage S. Teague to be postmaster at Fairmont, N. C., in place of W. B. Jennings, transferred.

Pinckney R. Holman to be postmaster at Ridgecrest, N. C., in place of P. R. Holman. Incumbent's commission expired February 14, 1940.

#### OHIO

Howard M. Stanley to be postmaster at Albany, Ohio, in place of H. M. Stanley. Incumbent's commission expired January 23, 1940.

Noah H. Overturf to be postmaster at Granville, Ohio, in place of N. H. Overturf. Incumbent's commission expired March 12, 1940.

Earl F. Reeb to be postmaster at Newark, Ohio, in place of E. F. Reeb. Incumbent's commission expired February 14, 1940.

Minerva D. Case to be postmaster at Powell, Ohio, in place of M. D. Case. Incumbent's commission expired March 3, 1940.

Nathan H. Ladd to be postmaster at Put in Bay, Ohio, in place of B. F. McCann, deceased.

Paul B. Parkin to be postmaster at Tiffin, Ohio, in place of U. S. Abbott, deceased.

Charles U. Read to be postmaster at Upper Sandusky, Ohio, in place of C. U. Read. Incumbent's commission expired January 23, 1940.

Julius A. Stark to be postmaster at Wooster, Ohio, in place of J. A. Stark. Incumbent's commission expired January 23, 1940.

#### OKLAHOMA

Murlin V. Braly to be postmaster at Buffalo, Okla., in place of M. V. Braly. Incumbent's commission expired August 26, 1939.

Ephriam L. Garrett to be postmaster at Coalgate, Okla., in place of Patsy Greenan, Jr. Incumbent's commission expired August 13, 1939.

Hugh M. Foreman to be postmaster at Duke, Okla., in place of Hugh Foreman. Incumbent's commission expired August 26, 1939.

Tip J. Hammons to be postmaster at Hammon, Okla., in place of T. J. Hammons. Incumbent's commission expired February 5, 1940.

Melvin L. Clow to be postmaster at Holdenville, Okla., in place of M. L. Clow. Incumbent's commission expired March 17, 1940.

Vera L. Moreland to be postmaster at Hominy, Okla., in place of V. L. Moreland. Incumbent's commission expired March 17, 1940.

Jewell E. Wilson to be postmaster at Hulbert, Okla., in place of D. D. Jones. Incumbent's commission expired August 13, 1939.

Clifford A. Shaw to be postmaster at Oakwood, Okla., in place of C. A. Shaw. Incumbent's commission expired January 24, 1940.

Earl M. Light to be postmaster at Pondcreek, Okla., in place of E. M. Light. Incumbent's commission expired August 13, 1939.

## OREGON

Otis A. Snook to be postmaster at Drain, Oreg., in place of O. A. Snook. Incumbent's commission expired August 27, 1939.

Harry D. Force to be postmaster at Gold Hill, Oreg., in place of H. D. Force. Incumbent's commission expired July 27, 1939.

James E. Jenks, Jr., to be postmaster at Tangent, Oreg. Office became Presidential July 1, 1939.

## PENNSYLVANIA

Thomas A. Wilson to be postmaster at Ellwood City, Pa., in place of T. A. Wilson. Incumbent's commission expired July 3, 1939.

Frank M. O'Connell to be postmaster at Gilbertsville, Pa., in place of H. E. Reichert, resigned.

John A. Coleman to be postmaster at Hegins, Pa., in place of T. J. Geist, removed.

Charles H. Rettew to be postmaster at Honesdale, Pa., in place of C. H. Rettew. Incumbent's commission expired May 12, 1938.

Frederick S. Magargal to be postmaster at Spring House, Pa. Office became Presidential July 1, 1939.

Ralph H. Shook to be postmaster at Spring Mills, Pa., in place of H. C. Wingard. Incumbent's commission expired August 22, 1939.

## SOUTH CAROLINA

Marion R. Mayfield to be postmaster at Denmark, S. C., in place of J. H. Chitty, resigned.

## SOUTH DAKOTA

Martha L. Williams to be postmaster at Oelrichs, S. Dak., in place of E. M. Coffield, removed.

## TENNESSEE

Ralph K. Godwin to be postmaster at Jefferson City, Tenn., in place of R. K. Godwin. Incumbent's commission expired January 20, 1940.

Ray B. Quinn to be postmaster at Lancing, Tenn., in place of M. E. Pemberton. Incumbent's commission expired July 18, 1939.

Sam L. Cummins to be postmaster at Lyles, Tenn., in place of S. L. Cummins. Incumbent's commission expired July 1, 1939.

Charles Oscar DuBois to be postmaster at Madison, Tenn., in place of H. S. Bell. Incumbent's commission expired August 27, 1939.

Claude G. Taylor to be postmaster at Mountain Home, Tenn., in place of C. G. Taylor. Incumbent's commission expired January 23, 1940.

Grace M. Bryan to be postmaster at St. Joseph, Tenn. Office became Presidential July 1, 1939.

Ralph M. Murphy to be postmaster at Sevierville, Tenn., in place of R. M. Murphy. Incumbent's commission expired January 20, 1940.

Albert Sydney Shriver to be postmaster at Wartrace, Tenn., in place of F. C. Hargis. Incumbent's commission expired August 27, 1939.

Roey D. Shoulders to be postmaster at Westmoreland, Tenn., in place of R. D. Shoulders. Incumbent's commission expired May 29, 1939.

## TEXAS

Thomas Aaron Downing to be postmaster at Caddo, Tex., in place of Ova Richardson, deceased.

Roberta M. Isom to be postmaster at Carrollton, Tex., in place of R. M. Isom. Incumbent's commission expired January 31, 1940.

Edna Martin to be postmaster at Charlotte, Tex., in place of G. S. Brownwell, removed.

Guy L. Fellmy to be postmaster at Dickens, Tex. Office became Presidential July 1, 1939.

Harry L. Humble to be postmaster at Groesbeck, Tex., in place of L. E. Eubanks, resigned.

Clyde T. Martin to be postmaster at Hubbard, Tex., in place of C. T. Martin. Incumbent's commission expired March 20, 1940.

Clarence G. White to be postmaster at Natalia, Tex. Office became Presidential July 1, 1939.

Joseph Marecek to be postmaster at Rowena, Tex., in place of Joe Marecek. Incumbent's commission expired February 14, 1940.

William Matthew Burnett to be postmaster at San Marcos, Tex., in place of O. W. Cliett. Incumbent's commission expired May 28, 1938.

Annie I. Hackney to be postmaster at Sunset Heights, Tex. Office became Presidential July 1, 1939.

Emma S. Vick to be postmaster at Valentine, Tex. Office became Presidential July 1, 1939.

## UTAH

Alpha B. Barton to be postmaster at Monticello, Utah, in place of A. B. Barton. Incumbent's commission expired August 27, 1939.

Richard R. Francis to be postmaster at Morgan, Utah, in place of R. R. Francis. Incumbent's commission expired June 26, 1939.

Raymond F. Walters to be postmaster at Price, Utah, in place of R. F. Walters. Incumbent's commission expired March 13, 1940.

## VIRGINIA

Lewis N. Glover to be postmaster at Berryville, Va., in place of L. N. Glover. Incumbent's commission expired January 20, 1940.

## WASHINGTON

Clara Wilson to be postmaster at Rainier, Wash. Office became Presidential July 1, 1939.

John M. Eager to be postmaster at Raymond, Wash., in place of J. M. Eager. Incumbent's commission expired January 31, 1940.

Clara G. L. Phipps to be postmaster at Spanaway, Wash. Office became Presidential July 1, 1939.

Bert B. Schmitz to be postmaster at Waterville, Wash., in place of B. B. Schmitz. Incumbent's commission expired January 31, 1940.

## WEST VIRGINIA

John T. Hollandsworth, Jr., to be postmaster at Beckley, W. Va., in place of J. T. Hollandsworth, Jr. Incumbent's commission expired February 14, 1940.

## WISCONSIN

Roman W. Stoffel to be postmaster at Allenton, Wis., in place of R. W. Stoffel. Incumbent's commission expired July 1, 1939.

Clarence H. Mullendore to be postmaster at Viola, Wis., in place of C. H. Mullendore. Incumbent's commission expired August 26, 1939.

## WYOMING

Franklin P. Nelson to be postmaster at Evanston, Wyo., in place of F. P. Nelson. Incumbent's commission expired July 10, 1939.